



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***Daily Report***

---

## **China**

FBIS-CHI-93-190  
Monday  
4 October 1993

# Daily Report

## China

FBIS-CHI-93-190

### CONTENTS

4 October 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

President Clinton's, Qian's UN Speeches Viewed [Hong Kong TA KUNG PAO 1 Oct]	1
Paper Previews Hurd-Qian Meeting at UN [Hong Kong MING PAO 1 Oct]	1
Qian Qichen, Douglas Hurd Meet on Hong Kong	2
Qian Wants To 'Accelerate' Talks [XINHUA]	2
Qian, Hurd Exchange Views [XINHUA]	2
Qian on Hong Kong's Transition [ZHONGGUO XINWEN SHE]	3
Qian on UK Proposals [XINHUA]	3
Qian on 'Through Train' [Hong Kong TA KUNG PAO 4 Oct]	3
Hurd Interviewed on Talks [Hong Kong MING PAO 3 Oct]	4
Qian Qichen Meets Officials at UN Meetings	6
Sees UNSC Counterparts [XINHUA]	6
Meets Assembly President, Ministers [XINHUA]	6
Talks With Cambodian Officials [XINHUA]	7
Meets ASEAN Ministers [XINHUA]	7
Qian: Beijing's World Views 'Widely Accepted' [XINHUA]	8
Foreign Minister Qian Leaves New York for Home [XINHUA]	8
President Clinton, Others Congratulate National Day [XINHUA]	8
More Foreign Leaders' Messages [XINHUA]	9
Envoy at U.S. Meeting Promises Palestinian Aid [XINHUA]	11
Further on Aid to 'Palestine' [XINHUA]	11
Comparison of Qian Meeting Macedonian Official	12

##### United States & Canada

U.S. Investment Banking Firm Sends Delegation [XINHUA]	12
Jiang Zemin Meets Group [XINHUA]	12
Li Ruihuan Welcomes Gallup Chairman Clifton [XINHUA]	13
Chen Huanyou Meets Ambassador Stapleton Roy [Nanjing Radio]	13
Article Views U.S. Missile Defense Strategy [RENMIN RIBAO 24 Sep]	13

##### Central Eurasia

Spokesman Notes PRC 'Concern' on 'Bloodshed' in Moscow [XINHUA]	14
Russian Parliament Rejects Agreement in Talks [XINHUA]	14
Yeltsin Urges Lawmakers To Disarm [XINHUA]	14
Government, Lawmakers 'Outline' Pact [XINHUA]	15
Talks End 'Without Result' [XINHUA]	15
Talks To Resume on 2 Oct [XINHUA]	16
Parliament Sets Condition for Talks [XINHUA]	16
Preliminary Accord Reached on Lifting Siege [XINHUA]	16
Aleksandr Rutskoy Urges 'Popular Uprising' [XINHUA]	17
Urges Attack on City Hall [XINHUA]	17
Demonstrators Attack City Hall [XINHUA]	17
Seize Mayor's Office [XINHUA]	18
Anti-Yeltsin Protesters Try to Reach Parliament [XINHUA]	18
Khasbulatov Says Demonstrators To Seize Kremlin [XINHUA]	18
Russian Parliament Reports Troop Defections [XINHUA]	18
Boris Yeltsin Declares State of Emergency [XINHUA]	18

TV Station Forced Off Air [XINHUA]	18
More TV Stations Forced Off Air [XINHUA]	19
Protesters Take ITAR-TASS [XINHUA]	19
Government 'Ready To Use Force' in Situation [XINHUA]	19
Yeltsin Gives TV Address; Expects To Succeed [XINHUA]	19
Vows To Take Parliament Building [XINHUA]	19
Chernomyrdin Says Government in 'Full Control' [XINHUA]	19
Threatens 'Use of Force' [XINHUA]	20
Armored Vehicles Reinforce Yeltsin-Backed Troops [XINHUA]	20
Yeltsin Supporters Gather in Front of Kremlin [XINHUA]	20
Shumeyko Says Paratroopers To Enter Moscow [XINHUA]	21
Spokesman: Yeltsin Working All Night in Kremlin [XINHUA]	21
Yeltsin Urges Suppressing 'Fascist Rebellion' [XINHUA]	21
Further on Yeltsin Address [XINHUA]	21
Commandant Urges Citizens To Hand Over Weapons [XINHUA]	22
Gunfire Begins Around Parliament Building [XINHUA]	22
Gunbattles Continue [XINHUA]	22
Official Claims Occupation of White House Floors [XINHUA]	22
Parliament Building Catches Fire [XINHUA]	23
White Flag Seen From Building [XINHUA]	23
Rutskoy Appeals For Talks With Yeltsin [XINHUA]	23
Rutskoy Agrees To Leave Building [XINHUA]	23
Yeltsin's Spokesman Rejects Talks With Rutskoy [XINHUA]	23
Government Urges Surrender [XINHUA]	23
Yeltsin Orders Charges Filed Against Protesters [XINHUA]	24
Yeltsin Orders Meeting of Upper House [XINHUA]	24
Five Floors of Parliament Building 'Seized' [XINHUA]	24
'Twenty People' Killed in Attacks on Parliament [XINHUA]	24
Khasbulatov Not To Surrender, Willing To Talk [XINHUA]	24
Government Demands Parliament's Full Capitulation [XINHUA]	24
Women, Children Evacuate From Building [XINHUA]	25
Russian Government Troops Attack Parliament Building [XINHUA]	25
Government Soldiers 'Captured' [XINHUA]	25
Shelling on Parliament Ceases [XINHUA]	25
President Clinton on U.S. Support for Yeltsin [XINHUA]	26
John Major Offers Support for Yeltsin [XINHUA]	26
Canadian Government 'Strongly Supports' Yeltsin [XINHUA]	26

## Northeast Asia

Japan Reveals 'Total' Plutonium Holdings [XINHUA]	26
Li Ruihuan Meets Japanese Daihatsu President [XINHUA]	26
Liaoning Secretary Calls On Japanese Premier [LIAONING RIBAO 18 Sep]	27
XINHUA Feature on Sino-Japanese Friendship	27
Joint Japanese Team Studies Tibetan River [XINHUA]	28
Film Wins Gold Prize at Tokyo Festival [XINHUA]	28
PLA Delegation Meets O Chin-u in Pyongyang [Beijing International]	28
Sino-DPRK 19th Border Security Meeting Held [LIAONING RIBAO 13 Sep]	29
Sino-DPRK Border Railway Meeting Reported [LIAONING RIBAO 17 Sep]	29
Li Lanqing Ends ROK Visit; Leaves for Home [XINHUA]	29
Mongolian President Worried Over Russian Situation [XINHUA]	29

## Southeast Asia & Pacific

Jiang Congratulates Sihanouk on Ascension to Throne [RENMIN RIBAO 26 Sep]	29
Sihanouk Arrives in Beijing [XINHUA]	30
DKP Spokesman Cited on National Reconciliation [XINHUA]	30
DKP Supports Cambodia's New Constitution [XINHUA]	30
Ambassador to Burma Hosts National Day Reception [XINHUA]	31

## Near East & South Asia

Bangladesh Official Claims 'Full Human Rights' [XINHUA] .....	31
---	----

## Sub-Saharan Africa

Ambassador to Ethiopia Marks National Day [XINHUA] .....	31
--	----

## West Europe

EC Parliament President Interviewed Before Visit [XINHUA] .....	31
Departs for Beijing [XINHUA] .....	32
Reportage on EC Parliament President's Visit .....	32
Meets Qiao Shi [XINHUA] .....	32
Talks With Jiang Zemin [XINHUA] .....	33
Sees 'Full Normalization' of Ties [XINHUA] .....	33

## NATIONAL AFFAIRS

### Political & Social

Public Security Officers Thwart Hijack Attempt [Hong Kong TV] .....	34
Police Detain Journalist Gao Yu Bound for U.S. [Tokyo KYODO] .....	34
Further on Detention [AFP] .....	34
Chinese Reporter Barred From Leaving Country [AFP] .....	35
RENMIN RIBAO, JINGJI RIBAO Have New Chief Editors [Hong Kong LIEN HO PAO 3 Oct] .....	35
Banking Personnel Warned Against Corruption, Laxity [RENMIN RIBAO 28 Sep] .....	35
Security Ministry Holds Anticorruption Teleconference [XINHUA] .....	37
Problem of 'Banqueting at Public Expense' Examined [ZHONGGUO TONGXUN SHE] .....	37
'Special Article' Views Causes of Rampant Smuggling [ZHONGGUO TONGXUN SHE] .....	38
Commentary Praises Economic Reform, Anticorruption Drive [CHINA DAILY 1 Oct] .....	39
Hong Kong Papers on National Day Observance .....	40
TA KUNG PAO Editorial [1 Oct] .....	40
WEN WEI PO Editorial [1 Oct] .....	41
Feature Views 'Ethnic Conflicts' in South Xinjiang [Hong Kong MING PAO 28 Sep] .....	42
Jiang Zemin on Expediting Reform, Opening [XINHUA] .....	43
*Hu Jintao, Others Attend Personnel Exchange Meeting [XINHUA] .....	45
Jiang Zemin, Qiao Shi Meet Cultural Representatives [XINHUA] .....	45
Jiang, Li Peng, Qiao Shi Inscribe for Student Body [XINHUA] .....	45
Jiang, Li Lanqing Greet University on Anniversary [XINHUA] .....	46
Li Peng Inscribes for Shenzhen University Anniversary [XINHUA] .....	46
Yang Shangkun, Yang Rudai Attend Chengdu Concert [ZHONGGUO XINWEN SHE] .....	46
Wan Li Inspects Beijing Highways, Comments [XINHUA] .....	46

### Economic & Agricultural

Local Governments 'Ordered' To Hand Over Land Sale Revenues [Hong Kong THE STANDARD 4 Oct] .....	47
Shanxi Exempted From Central Strictures on Credit [CHINA DAILY (BUSINESS WEEKLY) 3 Oct] .....	47
Restructuring Commission Official on Money Shortage [CHINA DAILY (BUSINESS WEEKLY) 3 Oct] .....	48
Bank of China Channels Loans to 'Priority Sectors' [CHINA DAILY (BUSINESS WEEKLY) 3 Oct] .....	49
Central Official Discusses Financial Issues [Hong Kong CHING CHI TAO PAO 20 Sep] .....	49
Relaxed Renminbi Exchange Policy Advocated [CHINA DAILY (BUSINESS WEEKLY) 3 Oct] ..	50
Bank Circular Bans Use of Counterfeit Banknote Detector [Shanghai Radio] .....	50
Academic Puts Forward New Tax Reform Concept [ZHONGGUO TONGXUN SHE] .....	50
MOFTEC Academic Warns of 'Looming' Trade Deficit [CHINA DAILY (BUSINESS WEEKLY) 3 Oct] .....	51



SEZ Office Official Says Reforms Not To Harm Investment [CHINA DAILY (BUSINESS WEEKLY) 3 Oct]	52
Private, Foreign-Owned Firms Continue 'Growth Momentum' [RENMIN RIBAO 24 Sep]	53
Free Markets Account for 90 Percent of Retail Sales [CHINA DAILY (BUSINESS WEEKLY) 3 Oct]	53
State Economic Committee Discusses Fake, Shoddy Goods [ZHONGGUO XINWEN SHE]	54
Border Nationality Regions Open Wider to Outside [XINHUA]	54
Minority Areas' 'Strong Economic' Momentum Continues [XINHUA]	55
Autonomous Regions Progress in Telecommunications [XINHUA]	56
8-Month Statistics Show Transport Volume 'Bogged Down' [CHINA DAILY (BUSINESS WEEKLY) 3 Oct]	56
Communications Ministry Checks 'Chaotic' Highway Situation [XINHUA]	57
Bank Official on Ensuring Funds for Farm Products [XINHUA]	58
State Council Circular Reassures Grain Workers [XINHUA]	58
Jiang Inscribes for Three Gorges Project Company [Beijing TV]	58
Zou Jiahua Inspects Three Gorges Project Work Site [XINHUA]	59

## REGIONAL AFFAIRS

### East Region

'Namelist' of Anhui Congress Appointments, Removals [ANHUI RIBAO 15 Sep]	60
Appointment Decision Carried [ANHUI RIBAO 15 Sep]	60
NPC Team Inspects Fujian Enterprise Law Enforcement [Fuzhou Radio]	60
Shanghai To Crack Down on 'Rampant' Tax Evasion [CHINA DAILY (BUSINESS WEEKLY) 3 Oct]	60
Shanghai Courts Hand Down Death, Imprisonment Sentences [Shanghai Radio]	61
'Roundup' Views Shanghai's Modernization, Revitalization [XINHUA]	61
Industrial Structure in Shanghai Being Adjusted [XINHUA]	62
Shanghai Reports 'Negative Population Growth' [ZHONGGUO XINWEN SHE]	62

### Central-South Region

Guangdong's Xie Fei Stresses Party Basic Line Propaganda [Guangzhou Radio]	63
Bank of China Guangxi Branches Undergo Reorganization [Nanning Radio]	63
Activities, Remarks of Henan's Li Changchun	63
Speaks on Operational Mechanisms [Zhengzhou Radio]	63
Addresses Organizational Work Meeting [Zhengzhou Radio]	64
Henan Governor Speaks on Anticorruption Struggle [Zhengzhou Radio]	65

## TAIWAN

Mainland Affairs Official Condemns Hijackings [CNA]	66
Lien Chan on Policy Concerning Mainland [Taipei Radio]	66
Li Teng-hui on Entry to UN, Reunification Issue [Taipei Radio]	66
'Protest' Sent to UN Over Press Freedom [CNA]	67
Economics Ministry Plans To Develop SRV Market [CHING CHI JIH PAO 16 Sep]	68
Agreement Signed With EC on Tax Cooperation [CNA]	68
Taipei Holds Trade Consultations With Netherlands [CNA]	68
Agricultural Pact Signed With the Netherlands [CNA]	69
Government Considers Offering Relief Aid to India [CNA]	69
Premier Lien Chan's Popularity 'Growing' [CNA]	69
President Li Tours Air Force Academy [Taipei Radio]	69

## HONG KONG & MACAO

### Hong Kong

PRC Official Comments on Talks With UK	71
Says UK 'Delaying' [XINHUA]	71
Claims UK 'Stalling' [Hong Kong WEN WEI PO 2 Oct]	71

PRC Official Urges 'Sincerity' in Talks [Hong Kong WEN WEI PO 30 Sep] .....	71
PRC Official on Submitting Reforms to Council [ZHONGGUO XINWEN SHE 3 Oct] .....	72
Zhou Nan Addresses Trade Union Federation [Hong Kong WEN WEI PO 2 Oct] .....	73
PRC Official Says Hurd 'Wrong' in Qian Talks [Hong Kong WEN WEI PO 3 Oct] .....	73
Kerry Group Buys Shares of Newspaper [Hong Kong SOUTH CHINA MORNING POST 30 Sep] .....	74

## General

### President Clinton's, Qian's UN Speeches Viewed

HK0110143693 Hong Kong TA KUNG PAO in Chinese  
1 Oct 93 p 3

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "China and the United States Make Tit-for-Tat Speeches at the United Nations"]

#### [Text] U.S. Foreign Policy Is Targeted at China

Many countries' leaders have spoken at the ongoing UN General Assembly session. Clinton spoke on 27 September, and Qian Qichen on 29 September. Although they did not name each other on some questions, they actually referred to each other. In his speech at the UN General Assembly, the first of its kind since he was elected U.S. President, Clinton accused China on many points. Whereas Qian Qichen also criticized the United States in his speech.

The fact that Sino-U.S. relations are at a low ebb has found prominent expression in the two leaders' speeches at the ongoing UN General Assembly session.

U.S. foreign policy following the Cold War is to practice democracy and expand the market economy around the world, Clinton said. He asserted that he would expand democracy in the world on the basis of expanding the market economy. As a matter of fact, this falls into the same concept as the U.S. objective of blockading communism during the Cold War; only now the target of the United States is China, because it is the largest socialist country. In the eyes of the United States, although China is carrying out reform and opening, it stresses the need to practice a socialist market economy and the "four adherences."

Therefore, even providing solely defensive and limited nuclear protection for the country is regarded as "a nail in the eye" by the United States.

#### Qian Qichen Talks About Overall Prohibitions on Nuclear Weapons

According to recent satellite reconnaissance, the United States said that there are indications that China is preparing an underground nuclear test in Xinjiang, so it has whipped up public opinion against China. At the General Assembly session, Qian Qichen pointed out that it is time to put on the agenda the overall prohibition and thorough elimination of nuclear weapons because the meeting on banning chemical and biological weapons has yielded results. If no agreement can be reached on the overall prohibition and thorough elimination of nuclear weapons at present, nuclear countries should conclude an agreement clarifying that no nuclear country should be the first to use nuclear weapons, nor should it use nuclear weapons against nonnuclear countries or regions.

A cool analysis of China's nuclear situation indicates that it cannot be compared with the United States, which is a "nuclear superpower." However, in order to maintain its global nuclear superiority following the Soviet disintegration, the United States is trying to prevent others from conducting nuclear tests (even for peaceful purposes). Apart from this, it is even trying to form an international organization to prevent the production of plutonium and uranium.

The Yinhe incident was an ugly and naked performance by the United States, during which it acted like a "global policeman" and practiced hegemonism. Under the pretext of executing prohibitions on chemical weapons, the United States wantonly trampled on another country's right of navigation and legitimate trade on the high seas. When the results of the check proved that there were no "materials for chemical weapons," as the United States had asserted, it refused to apologize or compensate for the loss. Public opinion has long drawn its conclusions on this move by the United States.

#### Hegemonism Will Not Do

Before coming to power, Clinton was ridiculed by his political opponents as a greenhorn, without the slightest diplomatic experience. The Yinhe incident does not suggest that the United States is "powerful"; instead, it has become the laughingstock of the world, and has ruined its own image as the leader of the free world.

Qian Qichen pointed out in tit-for-tat terms that since a prohibition of nuclear tests is proposed, there should be overall prohibition and elimination of nuclear weapons, without leaving even a single nuclear bomb. Dare the United States respond to this challenge? As everyone is aware, on several occasions during the Vietnam war the U.S. military wanted to use nuclear weapons. It also wished to use nuclear weapons against Iraq during the Gulf war.

The world can see that with the present-day U.S. strength, it is absolutely impossible for Clinton to act as a "global policeman"; nor will the American people allow him to. The U.S. move in Somalia has proved that it is bumping against a wall. The special corps originally thought of capturing the warlord Aidid alive, but it has given up the idea after repeated failures. The U.S. Congress has requested the withdrawal of U.S. troops from Somalia to be replaced by Gurkha soldiers, moving the Somali issue toward a political solution.

One of the two hegemonistic powers has disappeared, but this does not mean that the other can dominate the world.

#### Paper Previews Hurd-Qian Meeting at UN

HK0110151093 Hong Kong MING PAO in Chinese  
1 Oct 93 p A2

[Editorial: "Hong Kong Public Opinion on Eve of Meeting Between Chinese and British Foreign Ministers"]

[Text] The Chinese and British foreign ministers are meeting in New York this evening on Hong Kong constitutional reforms. The outcome of their meeting will directly affect the content of Hong Kong Governor Chris Patten's policy address, which is scheduled to be delivered five days later.

An opinion poll published by the Social Science Research Center of Hong Kong University on the eve of the two foreign ministers' meeting provides an indication of the mindset of Hong Kong people shortly before China and the United Kingdom "show their hands."

From data gained through a two-day investigation that began this Tuesday, in which a total of 516 citizens were interviewed, the center identified two trends of opinion:

The first is that the argument between China and the United Kingdom should not continue for long. It seems that after 12 rounds of negotiations lasting six months, most citizens want the two countries to put an end to their differences on the electoral arrangements for Hong Kong.

The investigation found that close to half of those polled believe the Hong Kong governor should set a date for the talks, and 90 percent of this group of people hope the talks can be wrapped up in the next three months.

One other finding, from more than half of the polled, is that people are increasingly impatient with Sino-British disputes and favor the position of some legislators of the democratic camp; that is, Chris Patten should table the bill on the 1994-95 electoral arrangements to the Legislative Council in the middle of this month.

Less than 30 percent of those polled oppose initiating legislative proceedings for the constitutional reforms immediately after the Legislative Council resumes session.

The second trend of opinion shows that citizens do not want early results from Sino-British talks at any cost. Only one-tenth of those surveyed support Chris Patten's tabling his blueprint for constitutional reforms as outlined in last year's policy address, without any revision.

Two-thirds think Chris Patten should revise his blueprint, let talks between China and the United Kingdom decide the fate of his blueprint, or withdraw the entire package.

It can be inferred that although citizens would like the Hong Kong Government to reach a decision on constitutional reforms within a short time, they actually are hoping that Chris Patten will make suitable concessions.

As it happens, the United Kingdom has made some compromises at the negotiating table. For example, on the composition of the nine new functional constituencies, the United Kingdom has given up Chris Patten's goal of giving the 2.7 million employees in Hong Kong a vote, and offered to cut qualified voters down to about 1

million. It is believed that the United Kingdom is not averse to the idea of making further compromises on this point.

On transitional arrangements, the so-called "through train" problem, however, the United Kingdom has insisted on objective criteria for determining whether a legislator can continue to sit on the Legislative Council in 1997. It has become the biggest stumbling block to a comprehensive agreement between China and the United Kingdom.

Unless Beijing is prepared to show some flexibility on this point of contention, the present stalemate is here to stay. Even if it cannot draw up a list of standards for legislators' continued membership in the future, it should seriously consider producing some principles more specific than the relevant provisions in the Basic Law, and promising to unveil, through some suitable power body acting for China, details about "tickets for the through train" before the 1995 Legislative Council elections.

Such an arrangement will enable both China and the United Kingdom to step down with dignity and will provide a general setting in which election candidates know where to go. Most important, of course, China and the United Kingdom must respect Hong Kong people's wish to have the problem solved as soon as possible.

## **Qian Qichen, Douglas Hurd Meet on Hong Kong**

### **Qian Wants To 'Accelerate' Talks**

OW0110195393 Beijing XINHUA in English 1922  
GMT 1 Oct 93

[Text] United Nations, October 1 (XINHUA)—Qian Qichen, vice-premier and foreign minister of China, said here today that China and Britain should accelerate their talks on Hong Kong so as to seek practical ways to resolving the relevant issues.

Qian and his British counterpart Douglas Hurd, secretary of state for foreign and commonwealth affairs, both now in New York attending the on-going 48th U.N. General Assembly sessions, met for talks on the future of Hong Kong here today for two hours. The two sides exchanged views on the election arrangements in Hong Kong in 1994 and 1995, the work of the Joint Liaison Group and international issues of common concern.

### **Qian, Hurd Exchange Views**

OW0210075393 Beijing XINHUA Domestic Service in Chinese 0313 GMT 2 Oct 93

[By reporter Zhao Renfang (6392 0088 2455)]

[Text] United Nations, 1 Oct (XINHUA)—Qian Qichen, Chinese vice premier of the State Council and foreign minister, met on 1 October at the UN Building with British Foreign Secretary Hurd. They exchanged views on the arrangement for the 1994-1995 Hong Kong

elections, the work of the Sino-British Joint Liaison Group, and international issues of common interest.

They agreed that efforts should be made to speed up talks and to continue to seek workable ways to solve relevant problems.

### **Qian on Hong Kong's Transition**

HK0410024693 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1136 GMT 3 Oct 93

[By reporter Tang Dianwei (0781 0368 0251)]

[Text] New York, 2 Oct (ZHONGGUO XINWEN SHE)—Today, Qian Qichen, Chinese vice premier and foreign minister, reiterated here that if the Chinese side and the British side can cooperate in the next several years of the transitional period, this will be favorable to Hong Kong's smooth transition and the smooth transfer of government, but that if the British side does not make things converge with the provisions of the Basic Law and insists on pursuing its own plan in the last few years of the transitional period, then it will not be possible to effect Sino-British cooperation to fulfill the smooth transition.

Qian Qichen said this this afternoon when answering a ZHONGGUO XINWEN SHE reporter's questions. The reporter asked: According to some reports, your talks with British Foreign Secretary Hurd yesterday did not make progress; what are the differences between the two sides? Hurd repeatedly said that if the two sides fail to reach agreement on the 1994-95 election arrangements, the British side would submit Patten's "constitutional reform package" to the Legislative Council. What is your opinion on this?

After answering these questions [as received], Qian Qichen added: "This is nothing terrible [zhe ye mei you shen me liao bu qi 6638 0048 3093 2589 0087 8010 0055 0008 6386]." That is to say, China will not recognize the 1994-95 Hong Kong elections and their so-called "constitutional structural reform." All such things will be no longer valid after 30 June 1997. It will still be possible to ensure smooth transition, but the institutions and their members elected in 1994-95 will not be smoothly maintained.

When meeting Hong Kong reporters, Qian Qichen was asked: Are you disappointed at yesterday's Sino-British foreign ministerial meeting? He answered: I am not disappointed, because the result was within my expectations.

### **Qian on UK Proposals**

OW0310162793 Beijing XINHUA in English 1607  
GMT 3 Oct 93

[Text] New York, October 2 (XINHUA)—China will not accept any British proposal that will not be in line with "the basic law" of Hong Kong, Qian Qichen, Chinese vice-premier and foreign minister, said here to lay.

Qian made these remarks at a press conference he gave to the Chinese correspondents in New York late this afternoon.

If the British side decided to go with its own set of plans that is not in line with the regulations of the basic law, Qian stressed, it would be impossible to realize Sino-British cooperation and a smooth transition.

He also said that if that is the case, it does not matter. It will mean that China will not recognize the 1994/1995 election in Hong Kong as well as what will be done by the British side concerning the so-called constitutional reform, and they will become null and void on June 30, 1997.

However, he said, in that case a smooth transition will also be possible, but it will not be a transition with the same people and same institutions elected in 1994/1995.

He also said that if there is cooperation between China and Britain in the remaining years before 1997 it will be good for the smooth transition and the successful transfer of power.

### **Qian on 'Through Train'**

HK0410034093 Hong Kong TA KUNG PAO in Chinese  
4 Oct 93 p 2

[Report: "Qian Qichen Says the Chinese and British Sides Have Agreed To Speed Up Talks To Narrow Differences"]

[Text]. Yesterday, Qian Qichen, Chinese vice premier and foreign minister, told reporters in New York that he hoped China and the United Kingdom would reach agreement on the issue of Hong Kong's political structure, but that if no agreement is reached, the First Legislative Council of the Special Administrative Region will be formed through other elections.

On 2 October, before meeting with ASEAN foreign ministers at the office of the Chinese delegation to the United Nations, Qian Qichen told reporters that the recent meeting between the Chinese and British foreign ministers was not able to achieve any result, but that he was not disappointed at this, because that was within his expectations. Qian Qichen said: "There are indeed certain differences between the Chinese and British sides on the Hong Kong issue. Through so many rounds of talks, some progress has been made in narrowing such differences, but the progress has been insufficient, or we may say that the progress has remained rather modest and rather slow. Both sides agreed to make efforts to quicken the process of the talks and narrow the differences."

Qian Qichen said that at the meeting, he and Hurd talked about the prospects if there was failure to reach agreement in the talks. He said that if such a situation appears, "the first Legislative Council of the Hong Kong Special Administrative Region of the PRC will be formed through other elections. Foreign Secretary Hurd said that this was the second-best plan, not the best plan.



I agreed. We should strive to reach agreement, but if no agreement is reached, that will be the only option."

As for the "through train" issue, Qian Qichen said: The Sino-British talks on Hong Kong's political issues are completely aimed at making the "through train" arrangements. "If there is no through train, why should we hold the talks? We have discussed all those issues in order to make the 'through train' arrangements. If no agreement can be reached on these issues, there will be no through train. I think that he (referring to Hurd) should also understand this."

As for the Hong Kong new airport project, Qian Qichen said that the Sino-British Airport Committee will discuss this issue further, and Hong Kong's economic development will not be affected too much by these problems.

### Hurd Interviewed on Talks

*HK0310062093 Hong Kong MING PAO in Chinese  
3 Oct 93 p B8*

[By staff reporter Simon Fung: "Exclusive Interview With Douglas Hurd, British Foreign Secretary: 'It Was a Stock-Taking Session'—interview conducted in English, and published in both English and Chinese; following is the English transcription; first paragraph is editor's note]

[Text] Immediately after his meeting with Mr. Qian Qichen, China's Foreign Minister, last Friday [1 October] in New York, Mr. Douglas Hurd, Britain's Foreign Secretary, talked with Simon Fung, our reporter, in an exclusive interview. Mr. Hurd elaborated on Britain's position. The following is a transcription of the interview.

[Fung] Let us talk about politics first. Having failed to bridge the gap with the Chinese on a more senior level today, do you still think an agreement with the Chinese is feasible?

[Hurd] Yes, it is feasible. It requires a good deal of hard work in the constitutional talks. It's feasible and it is also desirable. If we can't get it, then the Governor will have to put proposals to the Legislative Council. And I didn't give any deadline or name any day for that today. He's not named any date but we all know time passes. This will have to be done. It's not too long before it has to be done. It will be better to get an agreement and that's why we agree that we should continue to try to do so.

[Fung] What is the crux of the negotiation now?

[Hurd] Oh the Governor's proposal last October was sharply criticized in Peking. So we said alright, let us discuss, and to begin with, that was difficult to arrange and it was arranged. Then the first round of discussions were concerned really with the past. There were criticisms and defences. Then in the summer, we moved actually onto the future, which is good. But there are quite substantial differences in opinion. We have made some changes in order to meet the Chinese's criticisms.

In order to have an agreement, there has to be bigger movements hitherto on the Chinese side.

[Fung] Are all these concessions made on the condition that they will have a more flexible stance on the question of "through-train"?

[Hurd] We have not got far enough on the "through-train". The "through-train" is very important. We are not saying that every single individual who is elected in '95 should continue. We are saying that there need to be clear, objective criteria. So anyone standing for election in 1995 knows where the position is after '97. That's very important to have clarity on that.

[Fung] Did you manage to convince the Chinese that they should be more flexible on this question?

[Hurd] Time will show. This was not a negotiation session. This was a stock-taking session. So we were not negotiating today. And time will show. New meetings have been arranged as you know.

[Fung] But you only mentioned negotiation will continue in October. Would that imply sometime in November we shall have to make a choice?

[Hurd] I wouldn't read into that. Just as we are in October. So we are talking about the programme for October. I don't think you should draw any conclusion from that.

[Fung] Any time frame that you can tell us?

[Hurd] No. Nor did I mention a time frame to the Chinese. But we are talking about elections to be held in '94 and '95. So there is not too much time.

[Fung] So you haven't put down any timetable for them?

[Hurd] That's right. I think it is better not. Tactically better not.

[Fung] When you have to decide whether to push ahead or not, what are the factors you would consider?

[Hurd] I think the Governor will have to consider how much time is needed for the Legislative Council to take a decision and for the Government of Hong Kong, the administrative department to make the practical arrangements.

[Fung] Are you saying that it is just a matter for the Hong Kong Government to decide?

[Hurd] No. The Hong Kong Government acts in concert with us in London. All these proposals are worked out clearly between the Governor, the Prime Minister and myself.

[Fung] There is a big question often asked in Hong Kong: we are now actually risking the relationship with China if we decide to push ahead whatever formula we think fit for Hong Kong. Is that worth a try? How could you convince the business community in Hong Kong that a

20-month short-lived democracy worth the risk of upsetting China? [sentence as published]

[Hurd] (Pause)... We have agreed those through many times. It's impressive that the degree of support that the Governor's proposal continues to receive in Hong Kong. [sentence as published] It's true that if you want a genuine transfer of sovereignty on the basis of "two systems, one country", you have to respect the Hong Kong system. It clearly includes, now in '93, a growing requirement for greater democracy. This would not have been true 30 to 40 years ago. It's true now. Any objective observer of Hong Kong would accept that. So that has to be accommodated. It's part of the character of a modern Hong Kong. That's what the Governor is seeking to do.

[Fung] Just if we fail to have a deal with China, how could you be assured that they would be willing to cooperate on other non-political issues?

[Hurd] Because it would be in their interest to do so. It's in their interest when the flag changes at the end of June 1997, Hong Kong should be successful and self-confident. So there needs to be agreements on the whole range of things in the Joint Liaison Group which we talked about. There needs to be continuing progress on the Airport. There needs to be agreements on the Container Port No. 9. These are non-political matters. They are matters connected with the future prosperity of Hong Kong. Future prosperity of Hong Kong is of great interest to China. Even more so after 1997.

[Fung] Did you manage to convince the Chinese side that they need to separate these issues?

[Hurd] Yes. They have never linked the two in theory and in speeches. We did agree today again on the need to accelerate the work in the Joint Liaison Group and the Airport. We saw some of it during summer. But as I explained to Mr Qian Qichen, there in my view are insufficient movements in these practical or economic matters.

[Fung] What makes you think that the commitment to accelerate the pace of work in the Joint Liaison Group today would turn into reality?

[Hurd] We should have to see. I am not saying that I am convinced it is. I am simply saying that we have gone through some of the areas, where I gave example where conclusions were needed. Conclusions have not yet been reached. These were all carefully noted. So the point was very clearly explained and understood.

[Fung] Could we expect you to come to Hong Kong before you make the final decision on whether we should push ahead our electoral arrangements alone?

[Hurd] Well, that decision will be taken, as I have said by the Prime Minister, myself and Governor Patten. I haven't got any plan at the moment to visit Hong Kong even though of all the place I go to in the world—Hong Kong is the most stimulating, not always the least controversial.

[Fung] I trust you are aware that political opinion in Hong Kong is always divided...

[Hurd] I'm very aware of that.

[Fung] How can you be sure that you do really get the mainstream opinion in Hong Kong?

[Hurd] The electoral decisions have to be turned into legislation by the Legislative Council.

[Fung] But they are not fully elected!

[Hurd] Yes, they are not fully elected, but they do provide some sort of touchstone. We have to use judgement, as we always have done, to reconcile as best we can the views and interests in Hong Kong. I think we are very fully informed of these views. There's no lack of people informing us of their views.

[Fung] So this question of holding a referendum is altogether out?

[Hurd] I don't think a referendum would actually suit anybody particularly well. We are talking about quite an intricate set of constitutional proposals needed to be discussed in some details. I don't think it's suitable for a referendum. Neither the British side nor the Chinese side has suggested that.

[Fung] Then, how could you explain to the world that Hong Kong people do really have a choice between democracy and a better relationship with China to ensure transition?

[Hurd] I think we have to make a judgement and the Legislative Council has to decide on that judgement. That's the responsibility we have under our present sovereignty and under the Joint Declaration. We are talking about increasing democracy and that is our purpose. We have not sought to internationalize this question. Everywhere I've gone, I've got understanding and appreciation for what we are trying to do as well as understanding the difficulties of it. I think that's true in Hong Kong. I am very satisfied with the way in which... Hong Kong opinion is much more steady on these matters than it used to be. I think this is partly because Hong Kong is much more involved in China than it used to be. It's a good thing. The economies are intertwined. Even more than it used to be. You look at the economy of Southern China, you see it. One result of this is very healthy. There is no longer the same feverish anxiety in Hong Kong whenever anything happens in the relationship with China. The relationship is more than the relationship between governments. There is, I think, an underlining confidence in the future of relationship. So there isn't the same agitation each time when there are difficulties in the political level. This is a good thing. This is a sign of real progress.

[Fung] A question about the Airport issue now. Are you still sure that we would be able to have our new airport, if we don't have a deal with China on our political reform?



[Hurd] There's progress on the Airport. I was in Hong Kong in July. I was encouraged by the actual progress on the ground. As you fly over, we see what's happening. And that will continue. The Governor of Hong Kong will press it as far as he can. We do need agreement on the financing facilities. I am myself reasonably confident on this course. But we shall have to wait and see. It will be a great mistake for China to link these two matters and they have said they do not do so.

[Fung] Lastly, on the overall Sino-British relationship. After the collapse of the Soviet Union, there is a strong suspicion in China that the West, which includes the British and the American, are joining hand-in-hand, trying to transform China peacefully. Is that what is happening?

[Hurd] No. China is transforming itself peacefully. I think the economic reforms associated with the name of Deng Xiaoping are irreversible. They are transforming China. There is an economic liberalization which is going faster than I think most people in the West expected. This is very welcome. But this is a Chinese process which the Chinese are carrying out. Nothing to do with pressure from the West.

[Fung] The human rights issue is always an issue between China and the West. How do you think this question could be removed?

[Hurd] It will be removed by slow progress and I discussed that again with Qian today.

[Fung] Any commitment from their side?

[Hurd] There's a willingness to listen. Now some particular actions are taken, which show awareness of the subject. We are not saying that China do exactly the same pattern of liberties as the West has. China has its own pattern. But there are certain universal commitments which we will have. It is easier (that) from time to time friends of China speak to China. We will continue to do that. What has changed is the Chinese are listening. In the old days, they said no, no and the subject is excluded from discussion. They no longer say that now. The answer to your question is "step by step, case by case". Slowly we must continue to raise these matters and from time to time there is a response.

[Fung] Isn't it true that after the collapse of the Soviet Union the West is taking a more intolerant attitude toward China?

[Hurd] I don't think so at all. No.

[Fung] But how about your remark in Sydney that Beijing is not a good choice for the Olympic Games. That has been taken as a deliberate effort to frustrate China in front of the world?

[Hurd] I don't want to elaborate on this. It certainly has nothing to do with the collapse of the Soviet Union. No,

that's the past. A decision has been taken. It didn't suit Manchester and it didn't suit Peking. But we have to live with the result.

## Qian Qichen Meets Officials at UN Meetings

### Sees UNSC Counterparts

OW0210005293 Beijing XINHUA Domestic Service in Chinese 0438 GMT 1 Oct 93

[By reporter Liu Qizhong (0491 0366 0022)]

[Text] United Nations, 30 Sep (XINHUA)—During a meeting here on 30 September with the secretary general of the United Nations, the foreign ministers of the five permanent members of the UN Security Council [UNSC] expressed their support for the international community's efforts to improve the efficiency of the United Nations and enhance its peacekeeping ability.

The five foreign ministers attending the meeting were Chinese Foreign Minister Qian Qichen, French Foreign Minister Juppe, Russian Foreign Minister Kozyrev, British Foreign Secretary Hurd, and U.S. Secretary of State Christopher.

After the meeting, the five foreign ministers and UN Secretary General Ghali issued a joint communique which states: These foreign ministers believe that over the last few years the United Nations has gained experience in keeping the peace in Namibia, Salvador, and Cambodia. This experience has enabled many to believe that if continued efforts are made to enhance the ability of the United Nations in this respect, then better results can be achieved. However, due to the United Nations' lack of resources, the foreign ministers hereby state that the United Nations will not commit itself to new peacekeeping requests before problems can be satisfactorily solved concerning the objectives of peacekeeping efforts, the duration of such efforts, the manpower necessary for peacekeeping forces, material supplies, and the safety of peacekeeping personnel.

The communique also urged all UN members to pay their membership fees on time so as to reduce the increasing financial burden of the United Nations. The communique added that all nations should assist the United Nations in tapping its potential and bringing about peace, development, and other goals stipulated in the UN Charter.

### Meets Assembly President, Ministers

OW0210034993 Beijing XINHUA in English 0331 GMT 2 Oct 93

[Text] United Nations, October 1 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen met U.N. General Assembly President Samuel R. Insanally and foreign ministers from Kazakhstan, Iran, Malta, Kuwait, Libya and exchanged views with them on bilateral relations and matters of common interest.

Qian congratulated Samuel R. Insanally, president of the 48th U.N. General Assembly, on the new post. He said China, as a permanent member of the U.N. Security Council, would support his work. Qian also invited him for a visit to China.

Insanally, also permanent representative of Guyana to the United Nations, thanked China for its support and noted development should be a key subject to be discussed at the current assembly.

Qian, while meeting Tuleitai Suleymenov of Kazakhstan, said Kazakhstan is a country which has an important position and influence in Asia. To develop long, stable and friendly relations between China and Kazakhstan complies not only with the common interest of the two peoples but also will benefit peace and stability in the region and even the world, Qian added.

Bilateral relations went well and the two countries' economies were mutually complementary, Qian pointed out. He added that the forthcoming visit by President Nursultan Nazarbayev would be a big event in bilateral relations. He hoped the visit would further bring the relations to a new level.

Suleymenov noted that cooperation in economy, trade and other fields developed well and further development in the friendly bilateral relationship will be conducive to their peoples.

In his meeting with Sabah al-Ahmad al-Sabah, also deputy prime minister of Kuwait, Qian reiterated China's support to Kuwait in safeguarding national independence, state sovereignty and territorial integrity. China would make its due efforts in overall implementation of resolutions adopted by U.N. Security Council concerning the Gulf issues.

The Chinese vice premier also invited al-Sabah to visit China and the Kuwaiti minister thanked China for its support.

Qian noted when meeting Guido de Marco, deputy prime minister and foreign minister of Malta, that relations between the two countries had developed smoothly and there had been frequent contacts between their leaders. China and Malta have respected and trusted each other, setting an example of equal and mutual development between big and small countries.

De Marco said he completely agreed with Qian on the evaluation of bilateral relations.

Qian Qichen attended a dinner party given by Henry Kissinger, former U.S. secretary of state this evening.

#### **Talks With Cambodian Officials**

*OW0310033493 Beijing XINHUA in English 0314  
GMT 3 Oct 93*

[Text] United Nations, October 2 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen met Cambodian Co-Premiers Norodom Ranariddh and Hun

Sen and Foreign Minister Norodom Sirivut at the Chinese mission to the United Nations here today.

Qian, while congratulating Cambodia's leaders newly elected according to its constitution, said the solution of the Cambodia issue was of great importance under the current situation and it served as an example in solving international issues.

Qian noted that for the stable development of the situation in Asia, the restoration of Cambodia was very hopeful.

Ranariddh and Hun Sen were of the same opinion that Cambodia and China had very close and friendly relations and that with the help of China, Norodom Siha-nouk achieved peace in Cambodia and now things were in order.

The two sides also exchanged views on further development of bilateral relations and the regional situation of common concern.

#### **Meets ASEAN Ministers**

*OW0310054493 Beijing XINHUA in English 0523  
GMT 3 Oct 93*

[Text] United Nations, October 2 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen met here today ministers from the Association of Southeast Asian Nations (ASEAN) and from Mauritania.

Satisfied with the smooth growth of China-ASEAN relations, Qian told the ASEAN ministers that high-level contacts between the two sides were very frequent this year and the momentum for development in the trade, economic, scientific and technological fields was also good.

He said China had been taking a cooperative attitude towards enhancing cooperation in those fields. With the advantages enjoyed by each side and their economies of a strong complimentary nature, the two sides faced a bright prospect for such cooperation.

Qian spoke highly of ASEAN countries' role in solving the Cambodia issue. China was willing to keep contact and consultation with ASEAN countries over international affairs, he said.

The two sides also talked about the situation in Asia, the Asian-Pacific Economic Cooperation Organization and other matters of common interest.

Attending today's meeting were foreign ministers from the Philippines, Brunei, Malaysia and Indonesia, the home and labor minister of Singapore and Thailand's permanent representative to the United Nations.

While meeting Mauritanian Foreign Minister Abdrahmane Ould Moine, Qian said that despite the changes in the international situation, the friendly relations

between China and Mauritania had undergone various tests and that there had been mutual understanding and mutual help.

Qian hoped that the situation in the Maghreb region would be stable and the region would become prosperous. He said the parties concerned should continue their efforts for a complete and just settlement of the Middle East issue.

The Mauritanian minister noted the profound basis for the bilateral relations of the two countries. He praised China for its economic achievements and expressed his willingness to further enhance the friendship between the two peoples and cooperation between the two countries.

He stressed that each country had the right to deal with its own matters. He appreciated China's efforts and concerns about Arab and Maghreb affairs in the international arena and at the United Nations, as well as its efforts in safeguarding the right and interests of the developing countries.

#### **Qian: Beijing's World Views 'Widely Accepted'**

*OW0310043393 Beijing XINHUA in English 0418 GMT 3 Oct 93*

[Text] United Nations, October 2 (XINHUA)—Qian Qichen, Chinese vice-premier and foreign minister, said here today that China's views on international issues, expressed in his statement delivered to the U.N. General Assembly on September 29, had been widely accepted by U.N. member states.

Qian made these remarks late this afternoon in an interview with the Chinese correspondents posted in New York.

The developing countries were especially happy to hear the Chinese position on socio-economic development, he added.

Though peace-keeping was important, he said, the developing nations hoped the United Nations would pay more attention to development, as the problems they were facing were more of a socio-economic nature.

"If the United Nations fails to accord development a top priority," Qian said, "the developing nations will lose interest in the world organization."

In this regard, the Chinese foreign minister said, China fully supported the "agenda for development," which is being drafted by the United Nations.

During his stay in New York, the Chinese foreign minister had met or talked with more than 60 world leaders or foreign ministers, including some foreign ministers whose countries have not established diplomatic relations with China.

According to sources close to Qian, many more foreign ministers had expressed their hope to meet the Chinese

foreign minister. However, the sources said, due to Qian's heavy schedules next week, they decided to set their meetings at a later time.

#### **Foreign Minister Qian Leaves New York for Home**

*OW0310185893 Beijing XINHUA in English 1826 GMT 3 Oct 93*

[Text] New York, October 3 (XINHUA)—Chinese vice premier and Foreign Minister Qian Qichen left here for home this afternoon after delivering a key note speech at the 48th U.N. General Assembly and meeting with over 60 foreign presidents, government leaders and foreign ministers.

Qian told Chinese reporters Saturday [2 October] that China's view on international issues, expressed in his statement on September 29, had been widely accepted by U.N. member states.

He said his meetings with so many foreign leaders, reflected that many countries wanted to hear directly China's views on matters of common interests, which indicated that China's international status has been raised with great changes taking place during the past few years.

China had its own special role to play in the present world situation and could speak for some developing countries or third world countries, Qian added.

During his stay in New York, Qian met three foreign presidents, U.N. chief and more than 60 foreign ministers, including those from Germany, the United States, Britain, French and those from E.C. Community, the Rio group, the Cooperation Council for the Arab State of the Gulf and the Association of Southeast Asian Nations.

He also gave an important speech at the Asia Society.

Seeing the vice premier off at the Kennedy International Airport here were Li Zhaoxin, China's permanent representative to the United Nations, Zhang Weichao, consul general in New York and other Chinese officials.

#### **President Clinton, Others Congratulate National Day**

*OW0310093093 Beijing XINHUA Domestic Service in Chinese 1143 GMT 29 Sep 93*

[Text] Beijing, 29 Sep (XINHUA)—Leaders of some countries and governments sent telegrams or letters to Chinese party and government leaders to warmly congratulate them on the PRC's 44th founding anniversary.

Kim Il-song, general secretary of the Workers Party of Korea Central Committee and president of the Democratic People's Republic of Korea, sent a telegram to Jiang Zemin, general secretary and president, and Chairman Qiao Shi.

Fidel Castro, first secretary of the Cuban Communist Party Central Committee and president of the Cuban Council of State and Council of Ministers, send a greeting message to Jiang Zemin, general secretary and president, and Premier Li Peng.

Those who have sent greeting messages (letters) to President Jiang Zemin are:

Thomas Klestil, president of Austria;  
Franjo Tudjman, president of Croatia;  
Zenawi Meles, president of Ethiopia;  
Richard von Weizsacker, president of Germany;  
Saddam Husayn, president of Iraq;  
Mary Robinson, president of Ireland;  
Maumoon Abdul Gayoom, president of Maldives;  
U Than Shwe, chairman of the State Law and Order Restoration Council of the Union of Burma;  
Lech Walesa, president of Poland;  
Ion Iliescu, president of Romania;  
Boris Yeltsin, president of Russia;  
Al-Bashir, chairman of Sudan;  
Leonid Kravchuk, president of Ukraine;  
Queen Elizabeth II of the United Kingdom; and  
Clinton, president of the United States.

Those who have sent greeting messages to Premier Li Peng are:

Kang Song-san, premier of Korea;  
Patsatsia, prime minister of Georgia;  
U Than Shwe, prime minister of the Union of Burma;  
and  
Nicolae Vacaroiu, prime minister of Romania.

In his greeting message to President Jiang Zemin and Chairman Qiao Shi, Kim Il-song, president of Korea, says: "Korean-Chinese friendship is a solid friendship that has gone through all kinds of tests. Because of the solicitude and common efforts of our two parties, two countries, and our two peoples, the traditional Korean-Chinese friendship with a long history is being consolidated and developed constantly."

"Taking this opportunity, I wholeheartedly wish you and the Chinese people even greater success in your struggle of building socialism with Chinese characteristics."

Russian President Yeltsin says in his greeting letter to President Jiang Zemin: "On the basis of the principles established in the joint statement governing the foundation of the Russian-Chinese relations, Russia will continue to follow the line of firmly developing friendly relations and cooperation with China in all fields. I believe that stronger friendly and good neighborly relations between our two countries are in the fundamental interests of Russian and Chinese peoples and are in the interest of world peace and stability."

U.S. President Clinton says in his greeting message to President Jiang Zemin: "The United States and China share common goals with regard to world peace and security and our two peoples' prosperity. Both countries

have broad responsibilities to bear in striving to achieve these goals. The United States is looking forward to cooperating with China to this end."

### More Foreign Leaders' Messages

OW0310104093 Beijing XINHUA Domestic Service in Chinese 1147 GMT 30 Sep 93

[Text] Beijing, 30 Sep (XINHUA)—Over the last few days, more foreign state and government leaders have sent greetings to our party and state leaders expressing warm congratulations on the 44th anniversary of the founding of People's Republic of China.

Leaders who sent greetings to Jiang Zemin, general secretary and president; Premier Li Peng; and Chairman Qiao Shi are:

Khamtai Siphandone, chairman of the Central Committee of the Lao People's Revolutionary Party [LPRP] and prime minister of the Lao People's Democratic Republic [LPDR]; Nouthak Phoumsavan, president of the LPDR; and Chairman Saman Vi-Gnaket of the LPDR Supreme People's Assembly.

Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam [CPV]; SRV President Le Duc Anh; SRV Prime Minister Vo Van Kiet; and Nong Duc Chinh, chairman of the SRV National Assembly.

Leaders who sent greetings to President Jiang Zemin are:

Governor General Hayden of Australia;  
Amir 'Isa of Bahrain;  
President Biswas of Bangladesh;  
President Masire of Botswana;  
President Zhelev of Bulgaria;  
King Sihanouk of Cambodia;  
Governor General Hnatyshyn of Canada;  
Queen Margrethe II of Denmark;  
President Meri of Estonia;  
President Rawlings of Ghana;  
President Karamanlis of Greece;  
President Goncz of Hungary;  
President Rafsanjani of Iran;  
President Weizman of Israel;  
President Scalfaro of Italy;  
Emperor Akihito of Japan;  
President Moi of Kenya;  
President Kim Yong-sam of ROK;  
Amir Jabir of Kuwait;  
President al-Hirawi of Lebanon;  
President Uteem of Mauritius;  
President Carlos Salinas of Mexico;  
King Hassan II of Morocco;  
President Nujoma of Namibia;  
Queen Beatrix of Netherlands;  
Sultan Qabus of Oman;  
President Ramos of the Philippines;  
President Soares of Portugal;  
President Niyazov of Turkmenistan;



President Zayid of United Arab Emirates;  
Acting President Sajjad of Pakistan;  
Maktum, vice president and prime minister of the  
United Arab Emirates;

Those who sent National Day greetings to Premier Li  
Peng are:

President Carlos Salinas of Mexico;  
President Ramos of the Philippines;  
President Niyazov of Turkmenistan;  
First Vice President Habibi of Iran;  
Prime Minister Khaleda Zia of Bangladesh;  
Prime Minister Berov of Bulgaria;  
Prime Minister Antall of Hungary;  
Prime Minister Rabin of Israel;  
Prime Minister and Crown Prince Sa'ad of Kuwait;  
Prime Minister Bolger of New Zealand;  
Prime Minister Qureshi of Pakistan;  
Prime Minister Alegre of Sao Tome and Principe;  
Prime Minister Goh Chok Tong of Singapore;  
Prime Minister of Thailand Chuan Likphai;

Those who sent National Day greetings to Chairman  
Qiao Shi are:

Speaker Szabad of Hungary's national assembly  
Speaker Nouri of the Iranian Islamic Consultative  
Assembly  
Speaker Muradov of the Turkmen National Assembly

The message to Jiang Zemin, general secretary and  
president; Premier Li Peng; and Chairman Qiao Shi  
from Khamtai Siphandone, chairman of the Central  
Committee of the LPRP and prime minister of Lao  
People's Democratic Republic; President of the LPDR  
Nouhak Phoumsavan; and Chairman of LPDR Supreme  
People's Assembly Saman Vi-Gnaket reads: "Over the  
past 44 years, especially during the decade or so when  
China implemented the policy of reform and opening to  
the outside world, the Chinese people under the leader-  
ship of the CPC, have not only defended the achieve-  
ments of the Chinese revolution but have also made new  
and major progress in various areas while implementing  
socialist modernization with Chinese characteristics.  
Today China is enjoying political stability, steady eco-  
nomic progress, and constant progress in science and  
technology. The people's living standards in both mate-  
rial and cultural terms have improved markedly. We the  
LPRP and the Lao Government, parliament, and people  
would like to congratulate the brotherly Chinese people  
on the aforementioned achievements; we highly appraise  
the role the PRC plays in the international arena."

The message to Jiang Zemin, general secretary and  
president; Premier Li Peng; and Chairman Qiao Shi  
from Do Muoi, general secretary of the Central Com-  
mittee of CPV; SRV President Le Duc Anh; SRV Prime  
Minister Vo Van Kiet; and Nong Duc Chinh, chairman  
of the SRV National Assembly reads: "We are glad to see  
the remarkable progress made by Chinese people in  
national construction and development and in their  
endeavors to raise living standards. We would like to

avail ourselves of this opportunity to wish the Chinese  
people even greater progress in implementing the policy  
of reform and opening to the outside world and in their  
endeavors for national development and people's happi-  
ness.

"The CPV and CPC and the Vietnamese and Chinese  
people have a long history of traditional friendship.  
Friendship and cooperation between them have wit-  
nessed new development since relations between the  
countries were normalized. The party, government, and  
people of Vietnam have always cherished the good-  
neighborly relations and friendship between Vietnam  
and China. We believe that, with the joint efforts of both  
sides, these relations will be constantly consolidated and  
developed. This is not only in keeping with the funda-  
mental interests of the two peoples but also is conducive  
to the peace, stability, cooperation, and development in  
the region and the world over."

The congratulatory message from King Sihanouk of  
Cambodia to President Jiang Zemin reads: "I would like  
to take the opportunity of this happy occasion to extend  
to Your Excellency and the People's Republic of China  
the profound and eternal gratitude of Cambodia and its  
king and government for your numerous and exceedingly  
useful and important assistance and for the historic  
contributions you have made to successful accomplish-  
ment of peace, national reconciliation, democratization,  
national recovery, and reconstruction in Cambodia."

The national day greetings to President Jiang Zemin  
from Governor General Hnatyshyn of Canada reads: "I  
am glad to notice that your country has witnessed  
remarkable economic development in the past decade,  
which, I firmly believe, has raised the people's living  
standards. The enterprise and resolve that the Chinese  
people have displayed in the attainment of their goals  
will serve as a guarantee for their successful march  
toward prosperity. Canada welcomes China's greater  
participation in international affairs and is looking for-  
ward to continuing and deepening the cooperation and  
partnership between the peoples of the two countries.  
The two countries have already benefitted greatly from  
such cooperation and partnerships in years past."

The national day greetings to President Jiang Zemin  
from President Rawlings of Ghana reads: "I admire  
greatly the Chinese people for their diligence and persis-  
tent pursuit of goals. I am deeply inspired by the enviable  
progress achieved by the Chinese people under the wise  
and pragmatic leadership of Your Excellency."

The national day greetings to President Jiang Zemin  
from President Moi of Kenya reads: "I would like to  
note, with great satisfactions, that Kenya and China have  
had a long history of excellent relations characterized  
with fraternal friendship and fruitful cooperation. It is  
hoped that the friendship between us two countries will  
be further strengthened in the common interest of our  
peoples."

### Envoy at U.S. Meeting Promises Palestinian Aid

OW0110171493 Beijing XINHUA in English 1640  
GMT 1 Oct 93

[Text] Washington, October 1 (XINHUA)—China said today it will continue to provide Palestinians with economic assistance within its capacity for their self-rule in the Gaza Strip and Jericho.

Li Daoyu, head of the Chinese delegation and Chinese ambassador to the United States, made the remarks at the conference to support the Middle East Peace which was held at the State Department.

Li said China had always supported the just cause of the Palestinian people and sympathized with their plight.

"Ever since the beginning of the 1960s," Li noted, "China has provided the Palestine Liberation Organization (PLO) and Palestinian people in the occupied territories with all kinds of material aid either in bilateral forms or through the U.N. relief and works agency for Palestine refugees in the Near East."

During PLO Chairman Yasir Arafat's visit to China in September this year, the ambassador said, "The two sides signed an agreement on economic and technological cooperation, in addition to China's provision of a loan and grant of a batch of goods and materials as well as assistance in building a school."

"In days to come," Li added, "China will continue to render economic assistance within its capacity."

Li described the agreement on Palestinian self-rule as "a major breakthrough" in the Palestine-Israel Peace Talks which conforms to the fundamental interests of the peoples of both sides.

In order to smoothly implement the agreement and promote the Middle East peace process, Li believed, "The energetic support of the international community is also indispensable."

China is ready to provide assistance in man power and technology for the rebuilding of Palestine, Li said.

"We are also considering making efforts in training management professionals for the Palestinian side," he added.

Although China's assistance is limited in quantity, Li said, "With its economic progress, China will make its due contribution to the rebuilding of Palestine."

Li stressed that assistance to Palestine should be rendered in accordance with its concrete conditions with emphasis on actual results and through various channels.

"What is committed should be put into effect as soon as possible so that the people concerned can benefit at an early date," he said.

Delegates from 45 countries attended the American-organized donor conference.

### Further on Aid to 'Palestine'

OW0410021693 Beijing XINHUA Domestic Service in  
Chinese 0411 GMT 2 Oct 93

[By reporter Xu Changyin (1776 7022 6892)]

[Text] Washington, 1 Oct (XINHUA)—Speaking at a meeting on support for Middle East peace here on 1 October, Li Daoyu, head of the Chinese delegation and Chinese ambassador to the United States said: China will continue to provide economic aid, within its capability, for the Palestine people to rebuild their homes.

Li Daoyu said: China has consistently supported the just cause of the Palestine people and showed sympathy for their plight. Since the early 1960's, China has provided various material aid to the Palestine Liberation Organization [PLO] and the Palestine people in the occupied territory either in bilateral form or through relevant UN aid organizations, as well as training more than 500 qualified personnel in various disciplines.

Li Daoyu said: When PLO Executive Committee Chairman 'Arafat visited China in September this year, the PLO and China signed an economic and technological cooperation agreement. China promised to extend a loan and provide materials, as well as assist in building a school for the PLO. He said: "We will also provide economic aid, within our capability, in the future."

Turning to the mutual recognition reached between the PLO and Israel, and their signing of the agreement on autonomy for the Palestine people in the Gaza Strip and Jericho, Li Daoyu said: "This is a major breakthrough in the Palestinian-Israeli peace talks." It conforms with the fundamental interests of both the Palestine people and Israelis, and is welcomed and appreciated by the Chinese Government. He pointed out: Over 40 years of chaos caused by wars have heavily destroyed infrastructure and resulted in a backward economy and difficult life for the people in the occupied territory. To smoothly implement the agreement on autonomy for the Palestine people and to further promote the Middle East peace process, the vigorous support of the international community is absolutely necessary.

He said: China is willing to provide assistance in terms of human resources, technology, and training for qualified people to help the Palestine people in their job of reconstruction. He said: "Although our aid is limited, we believe China will extend due contributions to the reconstruction of Palestine following China's economic development."

The meeting on support for Middle East peace was presided over by the United States with the aim of raising funds to implement the agreement on autonomy for the Palestine people. Representatives of about 50 countries and international organizations participated in the one-day meeting. It is understood that participants at the meeting pledged to provide nearly \$2 billion over the next five years.

### **Comparison of Qian Meeting Macedonian Official** *OW0110021693*

Beijing XINHUA Domestic Service in Chinese at 1512 GMT on 30 September carries a 907-character report on Qian Qichen's separate meetings with foreign leaders on 29 September at the UN headquarters. The report has been compared with the XINHUA in English version published under the subheading, "Talks With Macedonian, Cuban Officials," in the 30 September China DAILY REPORT, page 6, revealing the following variations:

Column one, paragraph one, sentence one reads: [Text] New York, 29 Sep (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister, met the Macedonian president and the foreign ministers of Cuba, Tunisia, Italy, Djibouti, the Netherlands, Brazil, and Belarus and exchanged with them views on international issues of common interest. (deleting venue of meetings and changing wording)

Same column, paragraph two, sentence one reads: In a meeting with Kiro Gligorov, president of Macedonia, Qian said that China supported Macedonia's joining the United Nations and this showed that China has already recognized its independence. China is willing to develop bilateral relations in various fields. (adding sentence)

Column two, fifth complete paragraph, sentence one reads: Talking with Brazilian Foreign Minister Celso L.N. Amorim, Qian said that China and Brazil enjoyed fine cooperation in many economic fields. (adding word "economic")

Same column, paragraph 18, from the end of the only sentence, reads: the two countries." [new paragraph]

In addition, Qian Qichen also met separately with responsible representatives from the Jewish Committee and the Daena Foundation of the United States. [end item] (supplying additional paragraph at end of item)

## **United States & Canada**

### **U.S. Investment Banking Firm Sends Delegation**

*OW0310140093 Beijing XINHUA in English 1346*  
*GMT 3 Oct 93*

[Text] Beijing, October 3 (XINHUA)—Lured by China's massive economic expansion, Salomon Brothers, one of the world's leading international investment banking firms, is set to broaden its participation in the Chinese market.

At a press conference here today, Deryck C. Maughan, chairman and chief executive officer of Salomon Brothers Inc., said that the firm will help raise more capital for the Chinese steel, power, transportation, telecommunications and financial services industries.

Maughan said that Salomon is handling a global offering of Maanshan Iron and Steel "H" shares, which are scheduled to be listed in Hong Kong in mid-October.

"We are talking to investors in Europe and the United States, as well as in Asia," said Maughan. "I believe the issuance will be a success."

Maanshan Iron and Steel is the biggest project that Salomon Inc. has ever been involved in here, according to Maughan. The stock issuance by the company is valued at over 400 million U.S. dollars, the largest amount ever floated overseas by a Chinese enterprise.

During the past 12 months, Salomon Brothers has played a leading role in a number of capital-raising transactions for China, noted Maughan. This includes the New York Stock Exchange listing of a large Euro-bond offered by the Guangzhou International Trust and Investment Corporation, and an 80 million U.S. dollars floating rate note issued by the Hainan International Trust and Investment Corporation.

The great potential of China's economy has aroused the serious interest of Salomon Brothers, as well as other foreign investors, Maughan said.

The purpose of his trip to China, said Maughan, is to enhance Salomon's understanding of China and explore the possibilities of further cooperation with China.

Maughan and his 12-member group arrived in Beijing yesterday at the invitation of the state commission for economic restructuring.

### **Jiang Zemin Meets Group**

*OW0410064193 Beijing XINHUA in English 0612*  
*GMT 4 Oct 93*

[Text] Beijing, October 4 (XINHUA)—General Secretary Jiang Zemin of the Chinese Communist Party Central Committee met here this morning with chairman and chief executive officer Deryck Maughan of the Salomon Brothers, a leading international banking firm in the United States.

In the meeting, Jiang welcomed the expansion of Salomon Brothers' business in China, saying he expects the firm to continue strengthening friendly cooperation with China in the sectors of finance and securities.

Maughan said that U.S. businessmen share a general interest in expanding opportunities of cooperation with China. His company, he added, hopes to help promote Sino-U.S. relations through its cooperation with China.

Maughan and his party are here on a visit as guests of the state commission for economic restructuring.



**Li Ruihuan Welcomes Gallup Chairman Clifton**

OW0410094293 Beijing XINHUA in English 0747  
GMT 4 Oct 93

[Text] Beijing, October 4 (XINHUA)—Li Ruihuan, a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, today welcomed the Gallup Incorporation to introduce to China its experience and expertise in market investigation and other endeavors.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, had a 40-minute meeting with Gallup's Chairman Donald Clifton.

Li told the visitor that China, which is focusing its effort in economic development and building a socialist market economy, must intensify market investigation and prediction. Therefore, he said, it is meaningful for Gallup to introduce to China its expertise concerning market and management.

Discussing Sino-U.S. ties, Li reaffirmed that China attaches importance to its relations with the United States. A successful Sino-U.S. cooperation, he said, needs high-level efforts as well as extensive exchanges between economic and social circles of the two countries.

Clifton told Li that Gallup is ready to be involved in China's long-term development drive.

**Chen Huanyou Meets Ambassador Stapleton Roy**

OW0110115793 Nanjing Jiangsu People's Radio  
Network in Mandarin 2300 GMT 25 Sep 93

[From the "News" program]

[Text] At noon on 25 September, Governor Chen Huanyou met with U.S. Ambassador to China Stapleton Roy and his wife, who were visiting Jiangsu, at Jinling Hotel. Governor Chen Huanyou briefed the guests on Jiangsu's economic development. He said: Jiangsu is a more economically developed province in China and we have a lead over other provinces in economic growth. However, compared with developed countries, we still have a long way to go. He hoped that the ambassador would visit Jiangsu more often and bring in more U.S. entrepreneurs to invest in Jiangsu and cooperate with its enterprises so as to promote continuous development of the friendly and cooperative relations between Jiangsu and the United States.

Ambassador Stapleton Roy expressed gratitude for Governor Chen's reception. He said that he had been born in Nanjing and that he would make efforts to promote friendship and cooperation between the United States and Jiangsu. U.S. Consul General in Shanghai Jerome Ogden and others, who accompanied the ambassador

during his visit to Jiangsu, attended the meeting. Provincial Foreign affairs Office Director (Wu Donghua) and Deputy Director (Fu Mingdao) were present at the meeting.

**Article Views U.S. Missile Defense Strategy**

HK0210061293 Beijing RENMIN RIBAO in Chinese  
24 Sep 93 p 6

[Article by Li Wenyun (2621 2429 0061): "The United States Readjusts Its Missile Defense Strategy"]

[Text] U.S. Defense Secretary Aspin announced in mid-May that the United States has decided to call off the "Strategic Defense Initiative" (SDI) plan and shift the focus of strategic defense from a space-based missile defense system to a regional and land-based missile defense system. This means that the focus of the U.S. defense strategy has been shifted from the air to the land, which can be seen as a major readjustment of defense strategy on the part of the Clinton administration.

The "Strategic Defense Initiative" was proposed by former U.S. President Reagan in 1983. The original idea was to establish a multilayered antimissile defense system which emphasized space-based targetable weapons which would intercept and destroy incoming warheads. Following an investment of \$32 billion in a decade's time, however, such a "brilliant dream" was shattered in the end.

The reasons why the Clinton administration decided to call off SDI are obvious. First, with the disintegration of the Soviet Union, the dissolution of the Warsaw Pact, and the conclusion of the Cold War, the United States' original motive for launching SDI no longer exists. Second, the U.S. economy has been sluggish for the past few years, and the financial situation has been tight. Huge amounts of money were required to fund the SDI research project, so it was fair and sensible to call off such a superficially clever plan. Third, the "overly ambitious" plan had many technical problems, a number of which were judged to be difficult to overcome "in the foreseeable future." Over the past decade, opinions on SDI were widely divided in the United States, Congress was engaged in heated debate, and the SDI scheme was modified time and again. The "Brilliant Pebbles" plan was introduced in 1989 and became the "Global Defense and Limited Attack Scheme" in 1991. These plans distorted the original idea proposed in 1983 beyond recognition.

The two major components of the revised ballistic missile defense scheme announced by U.S. Defense Secretary Aspin were: First, a new generation of weapons systems designed to bring down short-range ballistic missiles (such as the Scud missiles used by Iraq in the Gulf war) will be researched so as to "shelter the troops from missile attack" in the battlefield; second, a land-based defense system to cope with long-range intercontinental ballistic missiles will be researched to shelter the U.S. territory from missile invasion. It was reported that

the Pentagon planned to set up six to seven land defense systems in the U.S. territory and to deploy 100 interceptive missiles in each system. Compared with SDI, the scale of the new ballistic missile defense plan is far smaller. It is no longer designed to cope with a large number of missiles directed against the United States but will focus on providing a limited missile defense to part of the U.S. territory or troops and military installations in designated battlefields.

The Pentagon's decision to call off SDI is a severe blow to aerospace, aviation, and defense industry contractors that count on SDI orders, while enterprises which have continued to research land defense systems may benefit from it. In order to alleviate any side effects, the United States must continue to utilize some of the technical achievements that SDI has made over the past decade. Some of the SDI projects that have civilian and commercial applications, such as free electron laser instruments, which can be applied in the medical field, and computers and new processed materials and technology with more functions and higher efficiency, which can be applied in civilian fields. In this sense, calling off SDI also reflects the Clinton administration's attempt to transform the defense industry into civilian industries.

### Central Eurasia

#### Spokesman Notes PRC 'Concern' on 'Bloodshed' in Moscow

OW0410092293 Beijing XINHUA in English 0907  
GMT 4 Oct 93

[Text] Beijing, October 4 (XINHUA)—China showed its deep concern here today about the recent bloodshed in Moscow, a Chinese Foreign Ministry spokesman said here today.

He made the remark when asked to comment on the fact that Russian President Yeltsin declared a state of emergency in Moscow.

"We are deeply concerned about the recent bloodshed in Moscow," he said.

"As a friendly neighbor, we hope to see an end to the conflict and a proper solution to the current situation in the interest of the stability, unity and economic recovery and development of Russia," he added.

#### Russian Parliament Rejects Agreement in Talks

OW0110123793 Beijing XINHUA in English 1220  
GMT 1 Oct 93

[Text] Moscow, October 1 (XINHUA)—Russian lawmakers today rejected an agreement to ease the tense standoff around the parliament and representatives of President Boris Yeltsin and the parliament started new talks on the siege under the church mediation.

The talks sponsored by the head of the Russian Orthodox Church, Patriarch Aleksiy II, started at the

Danilov Monastery in Moscow soon after the parliament rejected the agreement, under which the lawmakers would lay aside their weapons and power and telephone lines would be restored.

Once the surrender of arms be confirmed by a joint monitoring group, the blockade could be mostly lifted, according to the agreement. [sentence as received]

While rejecting the agreement, the lawmakers set a series of conditions for negotiations with the government over the political crisis. The conditions included the restoration of the parliament to its position before Yeltsin announced its dissolution on September 21.

The INTERFAX NEWS AGENCY quoted Yuriy Voronin, first deputy parliament speaker, as saying that all services should be restored to the building "immediately and without any conditions."

The lawmakers demanded a complete removal of the government blockade as well as live television transmission of their debates as a precondition for negotiations with the government, INTERFAX said.

Electricity was restored to parts of the building today to allow weapons to be collected, officials said.

But the government said that power would be cut off again if the lawmakers rejected the agreement.

Talking about the church-sponsored talks which opened as scheduled, a church spokesman said the government side was headed by Sergey Filatov, head of Yeltsin's administration and First Deputy Prime Minister Oleg Soskovets, while the parliamentary delegation was headed by the chairmen of the parliament's two chambers, Ramazan Abdulatipov and Venyamin Sokolov.

The lawmakers have been holed up in the parliament building surrounded by thousands of Interior Ministry troops since Yeltsin dissolved the parliament and announced new elections on September 21.

### Yeltsin Urges Lawmakers To Disarm

OW0110141893 Beijing XINHUA in English 1402  
GMT 1 Oct 93

[Text] Moscow, October 1 (XINHUA)—Russian President Boris Yeltsin today urged the lawmakers holed up in the parliament building to surrender their weapons, saying that all negotiations "must begin with the handover of arms."

"All negotiations—all—must begin with the handover of arms," Yeltsin said in a television interview after the lawmakers rejected an agreement on ending the standoff around the parliament building.

This is the precondition to any compromise agreement, he said.

But Yeltsin said that his government would not use force or storm the building.

"Of course we're not going to use any force because we don't want any blood," he said. "I count on a peaceful solution."

Yeltsin said that representatives of the parliament had agreed to give up their weapons in exchange for power supply to the building under the terms of the agreement signed during the night between representatives of the president and the parliament.

"We turned on the lights, but they did not turn over their arms," Yeltsin said. "It is very difficult to negotiate with them."

"Weapons are so dangerous, you understand, that any shot, however inadvertent, would be a provocation which could lead to bloodshed," he said.

First Deputy Prime Minister Vladimir Shumeiko also said today, "the first condition which gives an opportunity to hold talks with the dissolved parliament is complete and unconditional disarmament of the parliament guards."

There are about 1,000 persons carrying arms inside the building, he said.

Meanwhile, representatives of President Boris Yeltsin and the parliament started new talks today on the siege under the church mediation.

The talks sponsored by the head of the Russian Orthodox Church, Patriarch Aleksiy II, started at the Danilov Monastery in Moscow soon after the parliament rejected the agreement, under which the lawmakers would lay aside their weapons and power and telephone lines would be restored.

Once the surrender of arms be confirmed by a joint monitoring group, the blockade could be mostly lifted, according to the agreement.

While rejecting the agreement, the lawmakers set a series of conditions for negotiations with the government over the political crisis. The conditions included the restoration of the parliament to its position before Yeltsin announced its dissolution on September 21.

The INTERFAX NEWS AGENCY quoted Yuriy Voronin, first deputy parliament speaker, as saying that all services should be restored to the building "immediately and without any conditions."

The lawmakers demanded a complete removal of the government blockade as well as live television transmission of their debates as a precondition for negotiations with the government, INTERFAX said.

Electricity was restored to parts of the building today to allow weapons to be collected, officials said.

But the government said that power would be cut off again if the lawmakers rejected the agreement.

Talking about the church-sponsored talks which opened as scheduled, a church spokesman said the government side was headed by Sergey Filatov, head of Yeltsin's administration and First Deputy Prime Minister Oleg Soskovets, while the parliamentary delegation was headed by the chairmen of the parliament's two chambers, Ramazan Abdulatipov and Venyamin Sokolov.

The lawmakers have been holed up in the parliament building surrounded by thousands of Interior Ministry troops since Yeltsin dissolved the parliament and announced new elections on September 21.

### Government, Lawmakers 'Outline' Pact

OW0110152793 Beijing XINHUA in English 1455  
GMT 1 Oct 93

[Text] Moscow, October 1 (XINHUA)—Representatives from the two conflicting sides in Russia's current political struggle today "outlined" an agreement in principle on a solution to the crisis, a metropolitan said [sentence as received].

Metropolitan Kirill of Smolensk and Kaliningrad, who himself took part in the talks between representatives of President Boris Yeltsin and the rival parliament, said that the problem of the blockade of the parliament building can be solved [sentence as received].

Kirill told reporters during a break in the talks that there were "outlines of an agreement in principle" concerning the stand-off around the parliament building, dubbed the White House.

This is in contrast with a strongly-worded statement from a presidential spokesman, who accused the parliament, which rejected an earlier agreement between the two sides, of "decreasing space for a compromise."

Deputies holed up in the encircled parliament building voted to reject a preliminary agreement signed overnight by representatives of Yeltsin and the parliament, under which authorities would restore power and some telephones to the White House and in return, most arms held by volunteer guards would be placed in stockpiles in the parliament building.

Kirill said both sides reached "full understanding" that the issue of bringing the situation around the riverside White House back to normality should be top on the agenda of the talks.

A press conference is expected to be held after the talks, which is scheduled to end this evening.

### Talks End 'Without Result'

OW0110183593 Beijing XINHUA in English 1808  
GMT 1 Oct 93

["(Urgent) Russian Crisis Talks Fail: Shumeiko"—XINHUA headline]

[Text] Moscow, October 1 (XINHUA)—Talks between Russian President Boris Yeltsin and the encircled parliamentarians in the White House failed today to reach any agreement to solve the standoff around the parliament building.

First Deputy Prime Minister Vladimir Shumeiko told reporters, "today's talks ended without result. No agreement was reached."

### Talks To Resume on 2 Oct

OW0210000593 Beijing XINHUA in English 2333  
GMT 1 Oct 93

[Text] Moscow, October 1 (XINHUA)—President Boris Yeltsin's government and the "dissolved" parliament agreed this evening to continue their talks on Saturday [2 October] to solve the 11-day standoff around the parliament building, after they failed to reach any agreement in today's negotiations.

They also agreed to set up an expert group of six representatives from both sides to make preparations for the following round of talks.

Head of the Presidential Administration Sergey Filatov told a news conference, "at 10:00 A.M. (Moscow time) on Saturday the negotiations at the St. Daniel Monastery will resume to be based on results of the work of the expert group."

The talks between representatives of the federal government led by President Yeltsin and the parliament headed by Ruslan Khasbulatov began this morning with the mediation of Patriarch of Moscow and all Russia Aleksey II.

At the same press conference, Moscow Mayor Yuriy Luzhkov said: "Despite the fact the Russian and Moscow Government started to fulfill their obligations on last night's agreement, including the restoration of electricity and heating supply to the parliament building (or White House), the White House did not lower armed confrontation."

So "electricity has been switched off again at the encircled parliament building," First Deputy Prime Minister Vladimir Shumeiko told reporters.

Speaking at the press conference, Luzhkov listed the stand of the presidential side: first of all, the parliament must take back and store arms inside the White House; secondly, the White House defenders coming from the Riga OMON [special militia detachment unit], Ossetia, the Moldovan Dniester region and other places must leave the building.

Then, the mayor continued, cordons around the White House will be weakened or removed. "There have never been plans to use force against the White House. We do not need bloodshed. We do not need to make parliament building dwellers heroes," he said.

Vyacheslav Ogorodnikov, head of the chief department for the maintenance of public order of the Russian Interior Ministry, today said the Russian White House was the best armed parliament in the world.

He told reporters: "There are 1,600 submachine guns, over 2,000 pistols, 18 machine guns and 12 grenade launchers in the White House."

He said that there is even an "earth-to-air" missile there.

### Parliament Sets Condition for Talks

OW0210121093 Beijing XINHUA in English 1156  
GMT 2 Oct 93

[Text] Moscow, October 2 (XINHUA)—The Russian parliament demanded today to speak to the nation on live television and radio before resuming talks with the government on ending a standoff around the parliament building.

Yuriy Voronin, deputy parliament speaker who was to head the negotiations, told ITAR-TASS News Agency that the talks could not resume "as long as representatives from the parliament are not granted live air time."

He said the parliament side would refuse to resume talks until its representatives were given access to the broadcasting media to put their case.

But ITAR-TASS said in another report that the talks sponsored by the head of the Russian Orthodox [Church] Patriarch Aleksey II were scheduled to resume at 1200 GMT after a break for lunch today.

Meanwhile, INTERFAX News Agency said that the lawmakers and parliament guards who holed up in the parliament building since September 21 have mined connecting tunnels to prevent any assault by government forces.

It quoted former Army General Albert Makashov as saying that underground tunnels linking the parliament building with the Mayor's office and the Kiev railway station had been mined "to stop penetration by the adversary."

Thousands of Interior Ministry troops have surround the parliament building known as the White House since Yeltsin dissolved the parliament and announced new elections on September 21.

But Yeltsin promised Friday [1 October] that the government would not use force to end the crisis.

### Preliminary Accord Reached on Lifting Siege

OW0210143093 Beijing XINHUA in English 1421  
GMT 2 Oct 93

[Text] Moscow, October 2 (XINHUA)—The two conflicting sides in Russia's current political struggle reached a preliminary agreement today on surrendering



arms inside the White House and lifting the blockade around the parliament building.

**Aleksandr Rutskoy Urges 'Popular Uprising'**  
*OW0310013793 Beijing XINHUA in English 0104  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Vice-President Aleksandr Rutskoy called for a popular uprising after the street violence flared in central Moscow on Saturday [2 October], the largest clash in Russia's 12-day-old political crisis.

"Rise up and join the fight against dictatorship," Rutskoy, said in an appeal to the Russian people distributed to news organizations.

From the parliament side of the barricades and razor wire, Rutskoy, surrounded by heavily armed bodyguards, urged a line of helmeted troops holding silver riot shields to join him in the parliament building.

But he was drowned out by blasts from someone reading a Yeltsin decree on a speaker mounted atop an armored vehicle.

About 30 people were injured as nearly 1500 pro-parliament demonstrators battled riot police with metal poles and sticks when police attempted to push them back to downtown.

The parliament supporters, some armed with molotov cocktails, blocked a busy section of Moscow's Garden Ring Road for most of the day with makeshift barricades and piles of burning tyres.

Black smoke billowed around the nearby Foreign Ministry as police wielding shields and batons tried to persuade the crowd to disperse peacefully. As night fell, most demonstrators headed for home, vowing to fight another day.

The clashes were the worst street violence since Boris Yeltsin's decree on September 21 disbanding parliament and calling elections in December for a new-style legislature.

In tit-for-tat action, parliament has impeached Yeltsin and sworn in Rutskoy as president. Parliament Chairman Ruslan Khasbulatov and Rutskoy have been marshalling resistance to Yeltsin's decree from the barricaded parliament.

As Rutskoy encouraged people to take to the streets and tried to give the impression of a groundswell of popular resistance, Russia's Orthodox Patriarch Aleksiy II brought together the rival sides for a second day of talks.

Negotiators at the Danilov Monastery discussed compromise proposals until the early hours of Sunday morning, but there was little sign of a breakthrough.

"The growing tension is surely influencing the negotiations," ITAR-TASS news agency quoted Aleksiy as saying.

In a brief walkabout near the parliament building on Saturday, Yeltsin reiterated his position that armed guards inside the building had to surrender their weapons before other issues were discussed.

But parliament leaders have insisted that troops and barbed wire around the building be removed and access to the media guaranteed before weapons are given up.

The Orthodox church issued an appeal to the country's warring politicians to avoid bloodshed or risk excommunication.

**Urges Attack on City Hall**

*OW0310142193 Beijing XINHUA in English 1402  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Thousands of anti-Yeltsin demonstrators today broke police lines to reach Moscow City Hall and Vice-President Aleksandr Rutskoy urged security forces to join them.

Rutskoy, the "president" appointed by the rebellious parliament, urged the protesters outside the parliament building to attack the city hall and the television headquarters.

He called on law enforcement agencies to "join the side of the people" but warned they only had "several seconds" to do so.

"I ask you to stand up, take positions... and attack the mayor's office," Rutskoy addressed the protesters from the Parliament Building with a loudspeaker.

Earlier, automatic gunfire rang out as several thousand hard-line protesters throwing firebombs and rocks battled with riot police in central Moscow and surrounded the barricaded Russian Parliament to support lawmakers holed up inside.

Scuffles between police and demonstrators broke out, leaving at least several dozens injured, including 24 policemen.

**Demonstrators Attack City Hall**

*OW0310145593 Beijing XINHUA in English 1424  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Pro-parliament protesters attacked Moscow City Hall today and exchanged gunfire with police inside, witnesses said.

The protesters hijacked military trucks and smashed them through the entrance of the city hall from the parliament building, where rebellious lawmakers have been holed up for two weeks.

The attack came after Vice President Aleksandr Rutskoy urged the protesters to occupy the mayor's office and the national television headquarters.

Earlier, at least 15,000 protesters forced their way from central Moscow to the besieged parliament which President Boris Yeltsin has decreed to dissolve.

When the protesters were marching toward the parliament building known as the White House, hundreds of policemen in riot gear waved the clubs and shields, trying to drive them from the area.

Scuffles broke out, leaving dozens of people injured, including 24 policemen.

After that, the protesters set up barricades in the square and the traffic on the Moscow's Garden Ring Road near the square was blocked.

#### **Seize Mayor's Office**

*OW0310151093 Beijing XINHUA in English 1439  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Thousands of anti-Yeltsin demonstrators captured the Moscow mayor's office today and captured a top official, witnesses said.

The demonstrators hijacked military trucks and used them to smash through the entrance of the Moscow City Hall.

Vladimir Bokser, a top aide of Mayor Yuriy Luzhkov, was seen being let out by protesters.

#### **Anti-Yeltsin Protesters Try to Reach Parliament**

*OW0310134293 Beijing XINHUA in English 1328  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Shots were fired near the parliament today as anti-Yeltsin demonstrators forced their way to the besieged building.

Some witnesses said the shooting came as warning shots fired by police trying to disperse the demonstrators.

At least 15,000 demonstrators broke police cordons to reach the Parliament, known as the White House.

Some protesters attacked police with metal riot shields and helmets seized from the officers.

The demonstrators are protesting against President Boris Yeltsin's September 21 decree dissolving Parliament and calling elections for a new legislature in December.

#### **Khasbulatov Says Demonstrators To Seize Kremlin**

*OW0310161893 Beijing XINHUA in English 1602  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Russian parliament Chairman Ruslan Khasbulatov announced today that parliament supporters have seized the Moscow Television tower and will seize the Kremlin tonight.

Khasbulatov made the announcement at the Congress of People's Deputies.

#### **Russian Parliament Reports Troop Defections**

*OW0310145693 Beijing XINHUA in English 1435  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—A senior Russian Parliament official said today that about 100 Interior Ministry troops had turned to back the legislature.

Konstantin Zlobin, press aide of the parliament Chairman Ruslan Khasbulatov, said the troops, gathered close to the White House Parliament building were now supporting the parliament.

About 200 troops were seen arriving and being embraced by the anti-Yeltsin demonstrators.

#### **Boris Yeltsin Declares State of Emergency**

*OW0310155793 Beijing XINHUA in English 1536  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Russian President Boris Yeltsin declared a state of emergency in Moscow today shortly after demonstrators captured the city hall.

INTERFAX and ITAR-TASS news agencies quoted an announcement from the Kremlin as saying that Yeltsin had signed the order in accordance with an article in Russian law on emergency situations.

Earlier, thousands of anti-Yeltsin demonstrators stormed the Moscow mayor's office and seized the building.

Meanwhile, several truckloads of protesters were seen heading towards the national television headquarters in northeast Moscow, acting on an appeal from Vice-President Aleksandr Rutskoy to capture the station.

#### **TV Station Forced Off Air**

*OW0310170393 Beijing XINHUA in English 1648  
GMT 3 Oct 93*

[Text] Moscow, October 3 (XINHUA)—Anti-Yeltsin protesters stormed Russian Commonwealth Television today, forcing the station to go off the air.

"All programmes on first channel are being switched off because the Ostankino station is being stormed. But it has not yet been fully overrun," a spokesman said.

### More TV Stations Forced Off Air

OW0310182493 Beijing XINHUA in English 1801  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—Another two television stations went off the air today after anti-Yeltsin protesters stormed the main Russian Television Center earlier in the day.

The Ostankino Television station went off the air after the protesters seized the station this evening.

Commonwealth Television, or Channel One, which broadcasts to most of the former Soviet Union, said it was forced to go off the air and abruptly went dead.

Moscow regional television and an educational channel also went off the air.

### Protesters Take ITAR-TASS

OW0310204593 Beijing XINHUA in English 2004  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—The Russian ITAR-TASS news agency is blocked by anti-Yeltsin protesters including armed people, its general director Vitaliy Ignatenko said this evening.

But he stressed that the news agency is operating as usual.

However, news reports said that the headquarters of ITAR-TASS was captured by the protesters.

The capture of the agency has not been confirmed.

Meanwhile, the first floor of the Ostankino Television Center in northern Moscow is in flames, witness said.

The witness said armoured vehicles carrying additional interior troops are concentrating around the television station.

### Government 'Ready To Use Force' in Situation

OW0310164593 Beijing XINHUA in English 1629  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—The Russian Government is ready to use force to stop the violence in central Moscow, according to a government statement read on Central Television Sunday [3 September] evening.

"All demonstrations are banned in the city and military command in central Moscow has received all necessary orders," the statement said.

Earlier in the day, pro-parliament demonstrators captured the city hall and the television tower, while President Boris Yeltsin declared a state of emergency in Moscow.

### Yeltsin Gives TV Address; Expects To Succeed

OW0310210693 Beijing XINHUA in English 2034  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—Russian President Boris Yeltsin said today that his supporters will defeat the pro-parliament forces and will win soon.

In a statement read out on television, Yeltsin said: "I believe in our common sense and our strength."

"We have enough forces to restore order in Moscow. Today it is the destiny of Russia and its children that is being decided," he said.

He said he had dismissed Vice President Aleksandr Rutskoy, acting president appointed by the parliament dissolved by Yeltsin on September 21, and named the prime minister to replace him.

Meanwhile, an aide to Yeltsin told the CNN that troops loyal to the president are moving towards trouble spots in Moscow.

Dmitriy Rurikov [as received] told the CNN in the Kremlin that the troops would use force if necessary.

Earlier in the day, anti-Yeltsin protesters captured the Moscow Administration House, a main television station and other key installations in Moscow. The protesters have clashed with police, killing several people and injuring dozens of protesters and policemen.

### Vows To Take Parliament Building

OW0310224993 Beijing XINHUA in English 2200  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—Russian President Boris Yeltsin vowed today to take over the White House, site of the Russian parliament.

Meanwhile, troops of Russian Army, called by Yeltsin, were seen moving into Moscow from different directions.

Earlier, Yeltsin declared a state of emergency in Moscow through until October 10.

Pro-parliament demonstrators have seized Moscow Mayor's office building and a television station in north Moscow. Clashes between the demonstrators and riot police have killed eight people and injured dozens.

### Chernomyrdin Says Government in 'Full Control'

OW0310232893 Beijing XINHUA in English 2253  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—Russian Prime Minister Viktor Chernomyrdin said today that the government was in full control of the situation.

Chernomyrdin, appointed vice president by President Boris Yeltsin to replace Aleksandr Rutskoy earlier in the day, said troops are brought into Moscow.



"The government is taking decisive steps to put things in order," he said in a television address.

Meanwhile, Rutskoy declared an overnight "curfew" within the parliament building as his supporters prepared for an assault by Yeltsin's forces.

An announcement said that all movement from floor to floor or along corridors was banned until 0400 GMT.

Dozens of armored vehicles rolled into central Moscow tonight to reinforce the troops loyal to President Boris Yeltsin, who has brought an airborne division into the Russian capital.

The armored vehicles are taking key positions outside defense ministry and near the Kremlin.

Reliable sources said earlier that Yeltsin has brought in an airborne division into the city.

Yeltsin's aide in the Kremlin told the CNN in a television interview that troops are moving towards trouble spots in Moscow and will use force if necessary.

Anti-Yeltsin forces attacking Russia's main television centre reportedly pulled back after a three-hour gunbattle when government reinforcements arrived.

But fighting is continuing between troops in the center and small groups in the streets outside.

The CNN reported from a Moscow hospital that eight people were killed and dozens of people wounded in the fighting between the police and anti-Yeltsin demonstrators.

A presidential spokesman said that commanders of military districts pledged loyalty to President Yeltsin and Defense Minister Pavel Grachev.

### Threatens 'Use of Force'

OW0410015593 Beijing XINHUA in English 0139  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Russian Prime Minister Viktor Chernomyrdin said Monday [4 October] that the situation in Moscow is under control but the government will resort to all the measures including the use of force to end the bloodshed.

In the a TV address in Russian, he called on the people to support "the most resolute measures" his government may take.

Chernomyrdin, who was named deputy president Sunday night by President Boris Yeltsin, confirmed that troops were brought into Moscow "to cut short of bandit attacks."

"The so-called militants (from the White House) used firearms and heavy vehicles in their attacks," he noted. "People were killed and wounded in the streets of Moscow," he added.

According to a presidential press service, Aleksandr Kulikov, a senior police officer, has been named commandant of the state emergency in the capital.

Tanks and military vehicles with soldiers were seen heading towards strategic points in the city.

### Armored Vehicles Reinforce Yeltsin-Backed Troops

OW0310224893 Beijing XINHUA in English 2221  
GMT 3 Oct 93

[Text] Moscow, October 3 (XINHUA)—Dozens of armored vehicles rolled into central Moscow tonight to reinforce the troops loyal to President Boris Yeltsin, who has brought an airborne division into the Russian capital.

The armored vehicles are taking key positions outside the Defense Ministry and near the Kremlin.

Reliable sources said earlier that Yeltsin has brought in an airborne division into the city.

Yeltsin's aide in the Kremlin told the CNN in a television interview that troops are moving towards trouble spots in Moscow and will use force if necessary.

Meanwhile, anti-Yeltsin forces attacking Russia's main television centre reportedly pulled back after a three-hour gunbattle when government reinforcements arrived.

But fighting is continuing between troops in the center and small groups in the streets outside.

The CNN reported from a Moscow hospital that eight people were killed and dozens of people wounded in the fighting between the police and anti-Yeltsin demonstrators.

A presidential spokesman said that commanders of military districts pledged loyalty to President Yeltsin and Defense Minister Pavel Grachev.

### Yeltsin Supporters Gather in Front of Kremlin

OW0410012393 Beijing XINHUA in English 0036  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Thousands of people, who support President Boris Yeltsin, were gathering Sunday [3 October] in front of the Kremlin to guard the executive power center.

Anti-Yeltsin protesters were expected to storm the Kremlin located in the Red Square late Sunday night.

The Yeltsin supporters also placed roadblocks around the Kremlin.

Meanwhile, several thousand other Yeltsin supporters were holding a rally near the building of the Moscow Council, and hundreds of people were coming to a rally near the government office.

According to Major-General Vyacheslav Ogorodnikov, head of the main department for the protection of public order, troops "were moving according to fixed routes." He actually referred to the two "hot spots"—the Ostankino TV center and the parliament building, or the White House.

Chief of the Presidential Administration Sergey Filatov confirmed that the situation near the TV center remains tense. About 1,000 people, including some who are armed, have been sent there by the White House for reinforcement, he said.

However, Filatov continued, "the defenders of the TV center are now keeping the situation under control and the fire in the building has been localized."

#### **Shumeyko Says Paratroopers To Enter Moscow**

OW0410023493 Beijing XINHUA in English 0211  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Two paratroop divisions were ordered to enter Moscow early Monday [4 October] to help control the situation in the capital, Russian First Deputy Prime Minister Vladimir Shumeyko said.

He said one division was coming from the city of Ryazan about 175 kilometers southeast of Moscow.

The Russian Government has said it is bringing troops into the city to put down an armed revolt by supporters of Vice President Aleksandr Rutskoy who was dismissed by President Boris Yeltsin last month.

#### **Spokesman: Yeltsin Working All Night in Kremlin**

OW0410024793 Beijing XINHUA in English 0229  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Russian President Boris Yeltsin was working through all night in his office in the Kremlin and was expected to address the nation on Monday [4 October], a presidential spokesman said early Monday.

Diplomats here were full of doubts over where Yeltsin was, because he had not appeared on TV screen or in any public place nearly all night, at the decisive moment for his political fate.

Anatoliy Krasikov, deputy spokesman of the president, told reporters that "Yeltsin is currently holding meetings with government officials, especially with those 'power ministers' of defense, interior and security."

The spokesman said Defense Minister Pavel Grachev had just ended a meeting in his ministry discussing "stabilization measures." But he did not give any detail on what the military leaders had discussed.

"The measures undertaken by the president and the government ... may avert further bloodshed," the spokesman added.

Meanwhile, Yeltsin adviser Dmitriy Rurikov said that Yeltsin was very calm and was prepared to take tough measures if necessary.

Troops were in Moscow awaiting Yeltsin's orders, Rurikov said.

#### **Yeltsin Urges Suppressing 'Fascist Rebellion'**

OW0410072693 Beijing XINHUA in English 0643  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Russian President Boris Yeltsin said on television this morning that the "armed fascist rebellion" must be suppressed.

This is Yeltsin's first public appearance since parliament supporters stormed the Moscow administration building and [the] Army moved in on Sunday [3 October].

Meanwhile, Russian troops began approaching the compound of the parliament building amid heavy exchanges of gunfire in the area.

An additional dozen armored personnel carriers were seen heading toward the area to join those already there.

Yeltsin issued an order at dawn on Monday asking the Defense Ministry and Interior Ministry to take decisive action to reinforced the state of emergency order he issued on Sunday.

#### **Further on Yeltsin Address**

OW0410073493 Beijing XINHUA in English 0721  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Two military helicopters were seen flying over the parliament building today.

The air action took place while President Yeltsin's ground forces were advancing towards the building.

The helicopters, reportedly armed with rockets, circled the building as heavy smoke was seen on the ground surrounding the parliament building.

Meanwhile, a heavy exchange of fire was heard around the building.

It is not known whether Yeltsin's forces had started the final assault on the parliament building.

In a TV address earlier today, Yeltsin described the attacks by parliament supporters on the broadcasting facility Sunday [3 October] as "armed rebellion" and called on people to support his action on "crushing the rebellion."

**Commandant Urges Citizens To Hand Over Weapons**

OW0410062293 Beijing XINHUA in English 0532  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Police Lieutenant-General Aleksandr Kulikov, the newly-appointed commandant of the district of emergency in Moscow, today appealed to Moscow citizens to surrender their weapons.

Those people who "illegally" keep or carry weapons must hand them voluntarily to any Interior Ministry institution in Moscow, he said.

He promised that those who surrendered their weapons voluntarily will not get any punishment.

But those who refused to do so will be punished while those who use weapons to resist are to be wiped out, he warned.

**Gunfire Begins Around Parliament Building**

OW0410072893 Beijing XINHUA in English 0628  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Exchange of fire between Russian army and anti-Yeltsin protesters began this morning near the Peace Hotel near the parliament building.

Tanks of the Russian Army began attacking the parliament building around 7:00 local time by approaching the parliament building.

The building's defenders have built barricades and threw firebombs at the tanks and armoured personnel carriers. Heavy weapons fires from machine guns and automatic weapons are heard from time to time.

An unknown number of people from both sides are believed to have been killed so far today.

Armoured vehicles of the Russian army completed a surrounding of the parliament building at 8:00 o'clock and entered firing areas.

President Boris Yeltsin just broadcast a speech saying that the armed fascist rebellion must be suppressed.

Meanwhile, a group of air defense military officers stationed in Moscow have reportedly shifted towards to the parliament side and are moving towards the parliament building carrying weapons.

They said they are doing so to show their "absolute disagreement" with the stand of Yeltsin. But they said they don't want their soldiers to get involved.

Yeltsin declared a state of emergency in Moscow yesterday after thousands of parliament supporters stormed the administration building and occupied a radio station.

**Gunbattles Continue**

OW0410072793 Beijing XINHUA in English 0630  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Tanks and armored personnel carriers loyal to President Boris Yeltsin advanced on the Russian parliament building early today in an attack on the lawmakers and their supporters inside.

Heavy automatic weapons and artillery fire was repeatedly heard. Black and white smoke was seen from burning barricades near the Moscow River.

Troop carriers encircled the parliament building and opened fire repeatedly, which drew returning fire from the defenders inside.

About 10 heavy T-72 tanks were seen moving toward the parliament building shortly after 7 a.m. (local time). The crews stopped their vehicles across the river from the parliament building to load shells.

Yeltsin's force took up positions around the parliament building but made no move to storm it.

CNN live transmission showed that Yeltsin's forces had completely besieged the building, with tanks approaching followed by paratroopers in trucks.

The advance came two weeks after lawmakers barricaded themselves inside the parliament building.

President Yeltsin disbanded parliament on September 21 and called for new elections. But the lawmakers described Yeltsin's move as illegal.

Earlier today, Yeltsin signed a decree authorizing army action against the parliament building. The Russian Government also issued a final warning to the lawmakers to surrender.

**Official Claims Occupation of White House Floors**

OW0410072993 Beijing XINHUA in English 0718  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—A Russian Interior Ministry official claimed today that soldiers loyal to President Boris Yeltsin have occupied first two floors of the parliament building before being stopped by parliament defenders with heavy fire.

The Interior Ministry official, speaking in the Ukraine Hotel opposite the parliament building, was in direct telecommunication contact with troops attacking the building.

He said soldiers took the first two floors after infiltrating in to the building this morning.

**Parliament Building Catches Fire**

*OW0410073993 Beijing XINHUA in English 0726*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Several parts of the Russian parliament building have caught fire after tanks opened fire at it at least three times, causing minor damage of the building.

Just a few minutes before the tanks stationed in front of the White House opened fire, at least two armored vehicles, four trucks and seven tanks were arriving near the White House.

The newly-arrived tanks later attempted to flank the building across a bridge near the White House but failed because some protesters and a bus barricade blocked their way. The tanks moved away.

**White Flag Seen From Building**

*OW0410074293 Beijing XINHUA in English 0734*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—A white flag has been seen flying from a window of the Russian parliament building, the INTERFAX news agency reported.

Meanwhile, the Russian Interior Ministry claimed that the first two floors of the parliament building have been taken by soldiers loyal to President Boris Yeltsin.

Tanks of Russian Army fired at the parliament building at least three times, causing some damages of it and putting some parts of it on fire.

Meanwhile, heavy smoke is rising from the building of the Moscow administration and some anti-Yeltsin protesters who have been occupying the building are seen running out.

**Rutskoy Appeals For Talks With Yeltsin**

*OW0410073793 Beijing XINHUA in English 0729*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Aleksandr Rutskoy, Russian dismissed deputy president, appealed for talks with President Boris Yeltsin today, the INTERFAX news agency reported.

The appeal came when Yeltsin's troops were advancing towards the parliament building.

No immediate response was available from Yeltsin so far.

However, it was reported that Russian Prime Minister Viktor Chernomyrdin had told Rutskoy an assault on the parliament building could be broken off if all defenders gave up their arms.

**Rutskoy Agrees To Leave Building**

*OW0410075493 Beijing XINHUA in English 0745*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA) - Russian Vice-President Aleksandr Rutskoy has agreed to leave the parliament building with a white flag, INTERFAX news agency reported.

The report said the government had ordered troops to stop firing at entrance 20 of the parliament building to allow Rutskoy and other parliament members exit.

**Yeltsin's Spokesman Rejects Talks With Rutskoy**

*OW0410082393 Beijing XINHUA in English 0806*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Russian President Boris Yeltsin's spokesman today rejected a proposal by dismissed Vice-President Aleksandr Rutskoy to hold talks between the government and the parliament.

Anatoliy Krasikov said that there could be no more negotiations with the parliament, only the surrender of the other side.

"There will be no negotiations, the time for negotiations is over," the spokesman said. "They can only surrender their weapons and come out."

**Government Urges Surrender**

*OW0410101393 Beijing XINHUA in English 0929*  
*GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Aleksandr Rutskoy, former deputy president and acting head of state named by parliament 12 days ago, called Prime Minister Viktor Chernomyrdin at 10:00 a.m. local time today to ask for negotiations.

A source close to the government said that the president side "conditioned negotiations on an immediate end to shooting from the White House and the full capitulation of all militants inside the building."

The president side's demand is that "all those inside the building leave it without weapons," the source said, adding, "only then, their safety will be guaranteed."

Government officials said this morning that security forces brought into Moscow Sunday night are guarding the local television center, local government buildings, the energy and water supply enterprises and the ammunition depots.

To keep order and establish law in the capital city, a special leading group has been set up on an instruction from President Boris Yeltsin.



**Yeltsin Orders Charges Filed Against Protesters***OW0410090593 Beijing XINHUA in English 0843  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—President Boris Yeltsin has ordered the prosecutor general to arrest the organizer of the "large-scale riot" here today and file criminal charges against all those involved in the riot.

Meanwhile, an aide of Yeltsin said the government now has full control of Moscow and an action group has been set up to reestablish law and order in the capital.

He also denied rumors that some Army units have sided with the parliament.

**Yeltsin Orders Meeting of Upper House***OW0410101193 Beijing XINHUA in English 0934  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Russian President Boris Yeltsin today ordered the upper house of his newly appointed Federal Council (parliament) to hold its session on October 9.

Leaders from the government administrations and people's deputies, as well as administrative leaders from the regional states and the cities of Moscow and St. Petersburg are supposed to attend the session.

The order also charged the presidential office with organizing the session and the Federal Security Bureau with guaranteeing security.

**Five Floors of Parliament Building 'Seized'***OW0410080693 Beijing XINHUA in English 0756  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Five floors of the Russian parliament have been seized by soldiers, while Vice-President Aleksandr Rutskoy has agreed to leave the parliament building and talk with the government.

Meanwhile, the Russian prosecutor general has ordered criminal charges being filed against those who participated in the "large scale riot" on October 4.

An action group in charge of recovering order and law in Moscow has been set up at the order of President Boris Yeltsin.

**'Twenty People' Killed in Attacks on Parliament***OW0410101293 Beijing XINHUA in English 0937  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Twenty people were killed in the attacks on the parliament building today, informed sources here said.

The sources closed to parliament said that fighting had come to an end after four hours during which the government troops had taken four floors of the building.

The attacks took place in the morning after President Boris Yeltsin sent in tanks and armored personnel vehicles to encircle the parliament building, also known as the White House.

It was reported that Aleksandr Rutskoy, president appointed by parliament, had appealed for talks with Yeltsin. But the government said it was "too late" to talk and the only way out for the White House was "a complete surrender."

**Khasbulatov Not To Surrender, Willing To Talk***OW0410102993 Beijing XINHUA in English 1003  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—Russian parliament Chairman Ruslan Khasbulatov said today that his supporters were ready to stop shooting and negotiate with President Boris Yeltsin, but they won't surrender.

He made the remarks when talking to a REUTER reporter in a third-floor office of the parliament building, also known as the White House.

"We are ready to raise the white flag to cease fire and launch negotiations but this in no way means surrender," Khasbulatov said.

REUTER said that despite ground troops loyal to Yeltsin are attacking with support from tank fire, Khasbulatov is staying in his office trying to direct operations.

**Government Demands Parliament's Full Capitulation***OW0410103193 Beijing XINHUA in English 1012  
GMT 4 Oct 93*

[Text] Moscow, October 4 (XINHUA)—The Russian Government has demanded the full capitulation of the parliament, stressing that those inside the parliament building should leave the house without arms, with white flags and with hands up.

According to official sources here, the Russian Government regards Aleksandr Rutskoy's negotiation call as "too late" and "unacceptable."

Russian President Boris Yeltsin said earlier today in a televised speech that "former people's deputies, soviet representatives, and fascist leaders are taking advantage of negotiation to raise strength and try to control Russia with force."

He said the October 3 riot is a pre-arranged armed rebellion, and "its designers are attempting to set up a bloody dictatorship." He said the participants and organizers of the rebellion will not get away with it.

He said the decision to send troops into Moscow is to restore order, tranquility and peace in the capital, and the task of the army is to liberate the infrastructure captured by "criminals" and disarm the illegal army.

He said he will freeze all the activities of the social groups involved in the Moscow riot and the prosecutor general will file criminal charges against all those who organized and participated in the riot.

But the parliament charged last month that Yeltsin's order to disband the legislative body was illegal and appointed Rutskoy acting president of the country.

### **Women, Children Evacuate From Building**

OW0410103493 Beijing XINHUA in English 1019  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Russian troops surrounding the parliament building today allowed women and children to evacuate from the building, but the troops came under fire when women and children are evacuating, Moscow government sources said.

Sources at the Moscow State Interior Bureau said the women and children inside the parliament building have been allowed exit at the request of the parliament supporters.

Meanwhile, the Ostankino Television Station which was once occupied by parliament supporters resumed its service today.

The Russian Defense Ministry, Interior Ministry and Public Security Ministry today set up a joint commanding office to coordinate the attack against the parliament building.

The government forces have seized five floors of the parliament building so far.

### **Russian Government Troops Attack Parliament Building**

OW0410114093 Beijing XINHUA Domestic Service in Chinese 1038 GMT 4 Oct 93

[By reporters Wan Chengcai (8001 2052 2088) and Cui Shaochun (1508 1421 4783)]

[Text] Moscow, 4 Oct (XINHUA)—According to XINHUA reporters' on-the-spot report, tanks and armored vehicles of Russian Government troops are attacking the Russian parliament building under their siege.

Tanks have broken through the roadblocks set up by combatants loyal to the parliament, moved forward to a street by a river facing the "White House," and opened fire at the building. Thick smoke is seen billowing out from the parliament building, its walls are full of bullet holes, and the windows have been smashed.

The cracking of concentrated gunfire is heard from the Moscow Municipal Government building, which is only a few hundred meters away from the "White House." Big flames of fire are seen bursting out of the building through its windows.

Currently, tanks and armored vehicles reinforcing the government troops are still proceeding toward the parliament building. The fighting is still continuing.

### **Government Soldiers 'Captured'**

OW0410111993 Beijing XINHUA in English 1104  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—Some government soldiers have been captured and taken hostage by parliament supporters, and fightings are going on the fifth floor of the parliament building, the ITAR-TASS NEWS AGENCY reported.

Meanwhile, Russian Deputy Prime Minister Vladimir Shumeyko said that the parliament building defenders have expressed their readiness to surrender at noon today.

The parliament building's entrance 20 has been open for parliament members and supporters to walk out and surrender, the government side said.

### **Shelling on Parliament Ceases**

OW0410112493 Beijing XINHUA in English 1109  
GMT 4 Oct 93

[Text] Moscow, October 4 (XINHUA)—The shelling on the Russian parliament building by the government forces ceased from 12:30 to 12:30 [as received] local time on Monday [4 October], a government spokesman said.

Head of the Government Press Service Valentin Sergeyev told reporters that the fire had been stopped to give those inside the White House a chance to abandon the building and their arms.

But Prime Minister Viktor Chernomyrdin said later that "the time of the ceasefire has been extended until 13:00" local time.

According to Shernomyrdin, the "move has been made in order to avoid pointless bloodshed."

Reports reaching from the White House said the government troops had allowed women and children inside the parliament building to leave in the morning.

Armored personnel carriers began to approach the White House at 07:00 a.m. and launched attack against the White House about an hour later.

**President Clinton on U.S. Support for Yeltsin***OW0310171993 Beijing XINHUA in English 1658  
GMT 3 Oct 93*

[Text] Washington, October 3 (XINHUA)—U.S. President Bill Clinton said here today that the violence in Moscow was perpetuated by Russian Vice President Aleksandr Rutskoy and parliament Speaker Ruslan Khasbulatov.

"It is clear that the violence was perpetuated by the Rutskoy- Khasbulatov forces, that there has been significant violence today in Moscow," Clinton told reporters before leaving for California.

"I still am convinced that the United States must support President Yeltsin and the process of bringing about free and fair elections.

"I do want him to know of our continued support in this from the United States," Clinton said.

In Moscow, a statement read on state television said the Russian Government is ready to use force to stop the violence in central Moscow.

"All demonstrations are banned in the city and military command in central Moscow has received all necessary orders," the statement said.

Earlier in the day, pro-parliament demonstrators captured the city hall and the television tower, while President Boris Yeltsin declared a state of emergency in Moscow.

**John Major Offers Support for Yeltsin***OW0410134793 Beijing XINHUA in English 1326  
GMT 4 Oct 93*

[Text] London, October 4 (XINHUA)—British Prime Minister John Major has offered total and unequivocal backing for the action Russian President Boris Yeltsin has taken to end the violence in Moscow.

Major issued his statement on Sunday after meeting with Boris Pankin, Russia's ambassador to Britain, and said he believed Yeltsin had no choice but declared a state of emergency and ordered troops to quell an armed uprising against him by hardliners.

Major said: "There is no doubt this is a critical moment for the reform process and for the future of Russia."

He added that the Russian ambassadors's view that Yeltsin could control the situation was also Britain's assessment of the crisis.

**Canadian Government 'Strongly Supports' Yeltsin***OW0410073593 Beijing XINHUA in English 0647  
GMT 4 Oct 93*

[Text] Ottawa, October 3 (XINHUA)—The Canadian Government "strongly supports" Russian President

Boris Yeltsin and his commitment to democracy and economic reform, the External Affairs Department said today.

The support came several hours after the bloody conflicts erupted between troops who are loyal to Yeltsin and supporters of Vice President Aleksandr Rutskoy in Moscow.

News reports said troops loyal to Yeltsin continued pouring into the center of Moscow on a large scale.

The external affairs department said in a statement that Canada is deeply concerned about developments in Russia and the increasing danger of civil strife.

The statement urged the two conflicting sides to negotiate to end the crisis.

A department spokesman said Canada deplores the violence in Moscow.

**Northeast Asia****Japan Reveals 'Total' Plutonium Holdings***OW0110163493 Beijing XINHUA in English 1611  
GMT 1 Oct 93*

[Text] Tokyo, October 1 (XINHUA)—Japan has 4,500 kilograms of plutonium in store, the Science and Technology Agency revealed today.

Plutonium extracted from spent nuclear fuel and purchased from overseas totaled 8,230 kilograms and the current total in storage is the residue deducted from the amount used as nuclear fuel.

Of the 4,500 kilograms, which was recorded in December last year, 1,600 kilograms was stored in Japan and the rest overseas, the agency said, the first time it has revealed the country's total holdings.

**Li Ruihuan Meets Japanese Daihatsu President***OW0410100193 Beijing XINHUA in English 0804  
GMT 4 Oct 93*

[Text] Beijing, October 4 (XINHUA)—Li Ruihuan, a member of the Communist Party's Politburo Standing Committee, here today had an hour-long discussion with Takashi Toyozumi, president of Japan's Daihatsu Motor Company Ltd., on China's motor manufacturing industry and its cooperation with Daihatsu.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, said that in light of China's booming economy, the motor manufacturing industry has a broad prospect for development.

He praised Daihatsu for its ten-year cooperation with Tianjin's car manufacturers and urged it to do more in transferring technology to its Chinese partner so as to make the cooperation more fruitful.



Describing Daihatsu's decade-long cooperation with Tianjin as "successful," Toyozumi told Li that the two sides are exploring means and ways for expanding the cooperation. Daihatsu wants to make new contributions to China's auto industry, he added.

The visitor has come to inaugurate Daihatsu's office in Tianjin at the invitation of the China national automotive industry corporation.

### **Liaoning Secretary Calls On Japanese Premier**

SK0310065193 Shenyang LIAONING RIBAO in Chinese 18 Sep 93 p 1

[Text] On the morning of 17 September, the Liaoning provincial goodwill delegation headed by Quan Shuren, secretary of the provincial party committee and chairman of the provincial People's Congress Standing Committee, and his entourage called on Japanese Premier Hosokawa at his official residence.

During the reception, Chairman Quan Shuren expressed thanks for the reception given by Premier Hosokawa during his pressing affairs and extended congratulations on behalf of the Liaoning Province's people on his tenure as premier. He also briefed the Japanese premier on the economic cooperation between Liaoning Province and Kanakawa Prefecture and the friendly contacts between the province and Japan. He urged the Japanese Government to continuously encourage the Japanese business circles to invest their money in Liaoning. Premier Hosokawa fully acknowledged the achievements scored by Liaoning and Kanakawa in their exchanges and also urged both sides to continuously enhance the exchanges in the fields of the economy, technology, culture, and education. Chairman Quan Shuren also asked Premier Hosokawa to pay an incidental visit to Liaoning during his visit to China, for which Premier Hosokawa expressed thanks.

Attending the reception was Xu Dunxin, Chinese ambassador to Japan. The Liaoning provincial goodwill delegation arrived in Japan on 12 September and attended the activities marking the 10th anniversary of friendly ties established by Liaoning and Kanakawa.

### **XINHUA Feature on Sino-Japanese Friendship**

OW0210031493 Beijing XINHUA in English 0118 GMT 2 Oct 93

["Feature" by Feng Xiuju: "Erecting Bridge of Sino-Japanese Friendship"]

[Text] Beijing, October 2 (XINHUA)—The China-Japan Friendship Association is greeting the 30th anniversary of its founding almost simultaneously with the entire Chinese people who are celebrating National Day.

Over the past 30 years, the association has diligently sown seeds in the garden of Sino-Japanese friendship, and has tirelessly shuttled between Beijing and Tokyo to promote the growth of bilateral ties.

Sun Pinghua, who is president of the association, said in a recent interview with XINHUA that the association is working in accordance with the principles of promoting official exchanges through non-governmental contacts, and of conducting complementary governmental and non-governmental exchanges.

"Erecting a bridge of Sino-Japanese friendship is the major task of the association," Sun said.

October 4, 1963 is an unforgettable date, recalled Sun. On that day, he said, the association, initiated by the late Premier Zhou Enlai, was officially formed by 19 non-governmental Chinese organizations.

Late Chinese literary giant Guo Moruo, then honorary president of the association, described the founding of the association as "a major event worthy of being recorded in the annals of history".

Sun also commended Liao Chengzhi, the first president of the association, who wholeheartedly worked to develop Sino-Japanese friendship for decades and died in June of 1983.

In August of 1964, there appeared a favorable turn in Sino-Japanese ties. Sun said he was sent to work as chief representative of the Liaison Office in Tokyo, through which the two countries conducted exchanges.

Sun said that the association has played an important role in promoting the normalization of China-Japan relations and in the signing of the China-Japan Peace and Friendship Treaty.

Sun said the association has conducted extensive contacts with the Japanese ruling party or opposition parties, as well as with personages from all walks of life in Japan.

Since 1972, almost every Japanese prime minister, as well as leaders of Japan's Tokyo, Hokkaido, Kyoto, Osaka and 43 prefectures, have visited China. Many of them have come to the country as guests of the association.

Statistics show that over the past ten years, the association has received more than 6,000 visitors. Its present annual average of visitors is six times greater than in 1963, when the association was set up.

On the average, there were nearly 1,000 association-sponsored visitors to China in 1991 and 1992, a comparatively good level in the history of Sino-Japanese exchanges.

### **Setting Up Systems for Holding Regular Consultations Between the Two Countries**

Beginning in 1982, fixed channels for exchanges between the non-governmental representatives of the two countries were established.

They sit together to freely discuss bilateral relations, the international situation, and co-operation in economy, trade, science and technology, and education.

So far, five such meetings have been convened.

Besides, the China-Japan Friendship Association and the Japan-China Friendship Association have held regular meetings to promote Sino-Japanese friendly exchanges since 1983.

#### **Actively Conducting Activities To Make the Friendship Ties Between Cities of the Two Countries Closer**

Now China's 27 provinces, municipalities and autonomous regions as well as more than 100 cities have forged friendship ties with their counterparts in Japan, accounting for almost 33 percent of the total of such ties between China and foreign countries.

These entities conduct co-operation in accordance with their own advantages and characteristics, thus deepening mutual understanding and friendship, and promoting common development and prosperity.

The history of the 30 years since the founding of the association has demonstrated that the exchanges between China and Japan are unprecedented.

Last year General Secretary of the Chinese Communist Party Central Committee Jiang Zemin paid a visit to Japan, and the Japanese emperor and empress visited China, thus making the "flower of friendship" cultivated by the two governments and the two peoples blossom more colorfully.

Sun said that although the association has been in existence for 30 years, it still has much work to do, as its goal is to promote Sino-Japanese friendship from generation to generation.

He said that the relations between the two countries are now at their best period in history.

He concluded by assuring that the association is determined to continue its efforts to promote friendship between the two countries from generation to generation.

#### **Joint Japanese Team Studies Tibetan River**

*OW0310153193 Beijing XINHUA in English 1513 GMT 3 Oct 93*

[Text] Lhasa, October 3 (XINHUA)—A group of Chinese and Japanese scientist recently, for the first time, made an expedition tour along the Yarlung Zangbo in the Tibet Autonomous Region.

The tour was sponsored by the China Scientific Expedition Association and two Japanese institutions.

During the research trip, the scientists studied the geographic and geological characteristics of the Yarlung

Zangbo River Basin, and they also investigated animals, plants, ecological environment, culture and people's life in the area.

The expedition team completed the first stage research from May 18 to June 26, but their second stage work, which should have been carried out from September 1 to 25, came to a halt on September 10 when a Japanese team member was killed in an accident.

Now, all the Chinese and Japanese scientists have been evacuated to safe place.

#### **Film Wins Gold Prize at Tokyo Festival**

*OW0410022493 Beijing XINHUA Domestic Service in Chinese 1438 GMT 3 October 93*

[By reporter Zhang Huanli (1728 3562 0448)]

[Text] Tokyo, 3 Oct (XINHUA)—The Sixth Tokyo International Film Festival closed with a prize presentation ceremony here this afternoon. The Chinese feature film "For Fun," entered in the young cinema competition at the festival, won a gold prize.

"For Fun" depicts the joy, anger, grief and happiness experienced by a group of elderly people who form a Beijing opera club after their retirement. The film was highly acclaimed by the audience, and by every member of the jury at the young cinema competition at the Tokyo International Film Festival. At the award presentation ceremony, a jury representative said that the characters in the movie "For Fun" are imbued with a distinct personality. At the same time, through the reflection of the emotions of the elderly, the film expressed how much the Chinese people treasure the traditional art of the Beijing opera.

No silver prize was awarded at the young cinema competition. The German feature film "The Olympic Summer," the Canadian feature film "Why?" and the Taipei Chinese feature film "Rebels of a Neon God" each won a bronze prize.

The Tokyo International Film Festival lasted 10 days, during which about 150,000 people watched 173 films from various countries.

#### **PLA Delegation Meets O Chin-u in Pyongyang**

*SK0410005293 Beijing China Radio International in Korean 1100 GMT 3 Oct 93*

[Text] Marshal O Chin-u, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau and minister of the People's Armed Forces, met with a delegation of China's People's Liberation Army [PLA] Foreign Affairs Department in Pyongyang on 2 October.

Marshal O Chin-u conversed with the delegation members in a warm and friendly atmosphere. He said he was very glad to meet comrades from China, the DPRK's

friendly neighboring country. He also said the peoples and Armies of the DPRK and China are siblings and fellow soldiers and that the friendship between the two countries' people cannot be broken.

After the meeting, Marshal O Chin-u arranged a banquet for the delegation of the PLA Foreign Affairs Department.

The Chinese delegation arrived in the DPRK on 27 September.

#### **Sino-DPRK 19th Border Security Meeting Held**

SK0310042993 Shenyang LIAONING RIBAO in Chinese 13 Sep 93 p 1

[Text] The 19th regular Sino-DPRK border security meeting was held in the DPRK from 24 August to 6 September with the participation of chief representatives from both sides. The 10-member delegation of our country's chief representatives, headed by Guo Dawei, attended the meeting.

The chief representatives from both sides mutually reviewed their efforts in enhancing the security of China-DPRK border area facilities, in establishing or safeguarding the entry and exit orders in border areas, preventing and combating criminal activities of crossing the boundary illegally, and in safeguarding the safety of the two countries' social property and the safety of lives and property of the two countries' border residents. The representatives from both sides also held talks on further strengthening the close cooperation along the border line and in border areas and on consolidating or developing friendly and good-neighborly relations.

#### **Sino-DPRK Border Railway Meeting Reported**

SK0310050993 Shenyang LIAONING RIBAO in Chinese 17 Sep 93 p 1

[Text] The 1993 Sino-DPRK border railway meeting was held in Dalian from 12 to 14 September. Attending the meeting were the Chinese railway delegation headed by Liu Zhijun, director of the Shenyang railway bureau; and the DPRK railway delegation headed by Kim Tonghwan, director of the DPRK north railway general bureau.

The Sino-DPRK border railway meeting is held every six months. Representatives from both sides summarized the implementation of the Sino-DPRK railway accord and agreement over the past year and expressed satisfaction with the achievements mutually scored through cooperation by both sides in transporting a large number of international passengers and a large amount of trading goods. They also signed the border railway agreement for 1994.

#### **Li Lanqing Ends ROK Visit; Leaves for Home**

OW0210084993 Beijing XINHUA in English 0817 GMT 2 Oct 93

[Text] Seoul, October 2 (XINHUA)—Chinese Vice-Premier Li Lanqing left here Saturday [2 October] for home after concluding his six-day visit to South Korea.

Li, the second vice-premier to visit South Korea since the two countries established diplomatic relations in August last year, arrived here on September 27 at the invitation of the South Korean Government.

During his visit, Li called on President Kim Yong-sam, and sponsored the ceremony for the national day of the Chinese pavilion in the ongoing Taejon World Exposition '93.

A total of 108 countries and 33 international organizations are participating in the expo which has been the world's largest specialized exposition to date.

The Chinese vice-premier also met leaders of South Korean economic organizations and visited some large enterprises in the country.

#### **Mongolian President Worried Over Russian Situation**

OW0410104193 Beijing XINHUA in English 1024 GMT 4 Oct 93

[Text] Ulaanbaatar, October 4 (XINHUA)—Mongolian President P. Ochirbat said today he is worried about the present situation in Russia.

He said this during the fall session of the Mongolian Parliament, or Greater Hural. He said Russia always has a predominantly important place in Mongolia's foreign policy, therefore Mongolia is deeply worried about the current situation in Russia.

He said that he is deeply upset by the bloodshed which took place yesterday in Moscow, and that the Mongolian people hope the Russian crisis can be solved through democratic means.

The Mongolian Parliament Speaker N. Bagabandi also said the Russian crisis should be solved through dialogue.

### **Southeast Asia & Pacific**

#### **Jiang Congratulates Sihanouk on Ascension to Throne**

HK0110154193 Beijing RENMIN RIBAO in Chinese 26 Sep 93 p 1

[XINHUA report: "Jiang Zemin Sends Telegram Congratulating Sihanouk on Taking Throne as King of Cambodia"]

[Text] Beijing, 25 Sep (XINHUA)—PRC President Jiang Zemin today sent a congratulatory telegram to King Sihanouk of the Kingdom of Cambodia, warmly congratulating him on taking the throne as king of Cambodia. The text of the telegram is as follows:

"At the moment Your Majesty's taking the throne as king of Cambodia, I, on behalf of the PRC and the Chinese people and also personally, extend my warm congratulations and express my best wishes to Your Majesty.

Your Majesty is a leader who is deeply loved and esteemed by the Cambodian people, as well as being a statesman of foresight and sagacity. For many years, Your Majesty has made unremitting efforts for the independence, sovereignty, peace, unity, and territorial integrity of Cambodia, and to promote national reconciliation and safeguard peace and stability, and has made great contributions in this regard. The Chinese Government and people have a profound admiration and show great appreciation for this. We sincerely hope the Cambodian people, under Your Majesty's leadership, will rapidly heal the wounds of war and build Cambodia into a prosperous country.

Your Majesty is an old friend esteemed by the Chinese people. Over the past decades, Your Majesty has always made efforts to develop Sino-Cambodian friendly relations. We believe that in the new period of Cambodia's peaceful reconstruction, the friendly and cooperative relationship between China and Cambodia, which is based on the five principles of peaceful coexistence, certainly will be further consolidated and developed."

### **Sihanouk Arrives in Beijing**

*OW0410130293 Beijing XINHUA in English 1254  
GMT 4 Oct 93*

[Text] Beijing, October 4 (XINHUA)—Norodom Sihanouk, king of Cambodia, and Queen Monique Sihanouk arrived here today by special plane from Phnom Penh, Cambodia.

The Cambodian king is here to have medical examinations and as well as for holidays.

Chinese Vice-Foreign Minister Tang Jiaxuan, and diplomatic envoys of Cambodia and the Democratic People's Republic of Korea in Beijing greeted them at the airport.

### **DKP Spokesman Cited on National Reconciliation**

*OW0210104293 Beijing XINHUA in English 0956  
GMT 2 Oct 93*

[Text] Phnom Penh, October 2 (XINHUA)—The Democratic Kampuchea Party (DKP), together with the entire Cambodian people, eagerly needs national reconciliation and the ceasefire in order to restore peace, independence, national unity, territorial integrity and to rebuild Cambodia and make the country a prosperous one, said a DKP spokesman today.

In his statement, the spokesman said that the DKP is of the opinion that genuine national reconciliation cannot be achieved as long as one party continues to be in absolute power, both civilian and military, from top to bottom.

He stressed that to achieve national reconciliation, there must be balance of forces and political equilibrium.

The statement says that if national reconciliation is admitted by all to be necessary in accordance with Article 52 of the Constitution and the sacred wishes of the entire Cambodian nation and people, there must be no condition or obstacle raised that would hinder or delay the achievement of national reconciliation.

The statement indicates that as far as the ceasefire is concerned, the DKP wants to have real ceasefire and it's better to set up a committee to discuss detailed plans of the ceasefire and the principles of its control and verification.

### **DKP Supports Cambodia's New Constitution**

*OW0210104893 Beijing XINHUA in English 1009  
GMT 2 Oct 93*

[Text] Phnom Penh, October 2 (XINHUA)—Khieu Samphan, president of the Democratic Kampuchea Party (DKP), said here today that the DKP was pleased to see the monarchy's restoration and fully supported the new Constitution of the Kingdom of Cambodia signed by King Norodom Sihanouk on September 24.

In a communique issued on Khieu's departure from Phnom Penh, the DKP said that Sihanouk has given the permission to Khieu to inform national and international public opinion of his views such as:

The round-table meeting will be convened in November and the king will try to bridge the gap and make a shuttle diplomacy in order to study issues raised by various parties;

All these issues will be discussed after the November 9th independence day's celebration;

His majesty the king remains neutral and abides unswervingly by the policy of national reconciliation, and he will do his utmost to unify, not to divide;

Khieu's representatives can continue to stay in Phnom Penh, so that they can be forever united and continue their dialogue.

Meanwhile, Khieu told the king that the DKP would not change its two-point proposal submitted to Sihanouk for his consideration.

The two points are: the formation of a national army including the National Army of the DKP; and the intention of the DKP representatives not to seek governmental posts.



Khieu told the press at the Phnom Penh international airport that his trip and talks with Sihanouk were successful and that he would come back to Phnom Penh in November.

#### **Ambassador to Burma Hosts National Day Reception**

OW0110151893 Beijing XINHUA in English 1456  
GMT 1 Oct 93

[Text] Yangon [Rangoon], October 1 (XINHUA)—Chinese Ambassador to Myanmar [Burma] Liang Feng here this evening gave a National Day reception on the occasion of the 44th anniversary of the founding of the People's Republic of China.

Among over 400 attendants were Myanmar Foreign Minister U Ohn Gyaw and some other ministers, members of diplomatic envoys here and representatives of Overseas Chinese and various circles.

The official English newspaper "THE NEW LIGHT OF MYANMAR" today reported that Senior General Than Shwe, chairman of the State Law and Order Restoration Council and prime minister of the government, had sent messages of felicitations to China's President Jiang Zemin and Premier Li Peng.

This morning, the Myanmar Overseas Chinese Chamber of Commerce held a National Day celebration meeting.

About 600 people who represented more than 100,000 Overseas Chinese in the Myanmar capital, attended the meeting.

### **Near East & South Asia**

#### **Bangladesh Official Claims 'Full Human Rights'**

OW0310182693 Beijing XINHUA in English 1805  
GMT 3 Oct 93

[Text] Dhaka, October 3 (XINHUA)—Law minister and President of Bangladesh China Friendship Association Mirza Golam Hafiz said here tonight that there are full human rights in China.

He was speaking at a seminar organized by the association here on the occasion of the 44th anniversary of the founding of the People's Republic of China.

Referring to the propaganda against China made by some Western countries on the issue of human rights, Hafiz stressed that in China, there are full human rights "not only in the field of politics, but also in the fields of culture, economy and religion".

He pointed out that during the past 44 years, especially in the recent years, China has achieved great successes in its economic construction and trade links with outside world. The living standard of the Chinese people has been rapidly improved, he added.

The minister noted that "all nationalities in China have enjoyed equal rights" in all fields of society. The Central Government of China has always paid special attentions to the minority nationalities in their economic developments, he added.

Hafiz said that some Western countries have made a big noise about the alleged violations of human rights in China. But at the same time they spoke no single word about the human rights in Bosnia-Herzegovina where Muslims are being massacred.

The minister said that China has made great successes in its economic reforms, but at the same time China has never given up its socialist system. He praised China for "constantly striving to become stronger" by depending mainly on its own resources.

Speakers at the seminar pointed out that 44 years ago, China was a poor and backward country and described by the Western countries as "a sickman in East Asia". But now, they said, China has achieved brilliant achievements in all fields and has become a giant in the world.

"China has set up a shining example" for the mankind, especially for the small countries who are now fighting for their independence and sovereignty, they added.

### **Sub-Saharan Africa**

#### **Ambassador to Ethiopia Marks National Day**

OW0110125593 Beijing XINHUA in English 1223  
GMT 1 Oct 93

[Text] Nairobi, October 1 (XINHUA)—Chinese Ambassador to Ethiopia Jin Sen gave a reception on Thursday [30 September] evening in Addis Ababa, capital of Ethiopia, to mark the 44th anniversary of the founding of the People's Republic of China, according to information reaching here today.

Among the 300 guests present at the reception were Fecadu Gedum, vice-chairman of the Council of the Representatives of Ethiopia, seven government ministers and deputy ministers, foreign diplomats, and representatives from international organizations.

### **West Europe**

#### **EC Parliament President Interviewed Before Visit**

OW0210143693 Beijing XINHUA Domestic Service in Chinese 0454 GMT 2 Oct 93

["Special Interview" by XINHUA reporter Kang Xinwen (1660 2450 2429) ]

[Text] Brussels, 1 Oct (XINHUA)—"The world today is undergoing major changes. The European Community [EC] and China, as two major international forces, should strengthen their political ties and economic and trade cooperation on the basis of equal reciprocity so



that they can play an even greater role in future political and economic affairs." This is the view which EC Parliament President Egon Klepsch expressed when interviewed by XINHUA prior to his visit to China.

Klepsch and the EC delegation he heads will leave here this evening for China for a six-day official visit at the invitation of the Chinese National People's Congress [NPC] Standing Committee.

Klepsch stressed that stronger EC-China cooperation is "in the common interests of both sides." He said the constant improvement and development of the two sides' political relations in recent years shows that both sides are willing "to deepen their mutual understanding." He told this reporter that the EC and the Chinese NPC "have made tremendous efforts on the way to deepen their mutual understanding." A Chinese NPC delegation will visit the EC again at the end of October this year for its 11th working meeting.

Klepsch said: "China is a big country with a population of nearly 1.2 billion. Its changes have a particularly important significance to the development of the world in the future. Thus, the EC cannot help but follow closely everything happening in China." He indicated that during the visit the EC delegation wishes to "witness for itself and actually feel" the "enormous changes" taking place in all areas in China.

Klepsch is not only a celebrated statesman in Europe, but also a prestigious historian. He stated time and again during the interview that all the historians in the world look forward to visiting China, a country with an ancient civilization of 5,000 years, and that, as a historian, he was eager to visit Beijing and Xian, two famous historical cities. He said: "China has inexhaustible historical resources, and each and every historian will be excited and proud of to have the opportunity to personally feel the atmosphere of this ancient civilization of mankind."

Klepsch said: "China has achieved phenomenal success in the economic area. A series of extremely impressive statistics shows that China's socialist market economic system is the right way for China's economic development." As an expert on Germany's "social market economy," Klepsch profoundly appreciated the socialist market economic system being built in China and was looking forward to exchanging views with Chinese leaders and experts and scholars on this issue.

In conclusion, Klepsch indicated that while China is proceeding with its reform, the EC will also carry out a series of major organizational reforms. Under such circumstances, he said the two sides' understanding and cooperation "will be even more significant." For the sake of common interests, Klepsch hoped that the two sides will continue to make efforts to promote the development of bilateral political relations and economic and trade cooperation.

### Departs for Beijing

OW0110140693 Beijing XINHUA in English 1305  
GMT 1 Oct 93

[Text] Brussels, October 1 (XINHUA)—The chief of the European Parliament said today that the European Community (EC) and China should strengthen their political ties and economic cooperation in order to play a greater role in the world affairs.

Prior to his departure for a six day official visit to China today, Egon Klepsch, president of the European Parliament, said such cooperation was in the common interests of both communities.

Klepsch said that China is a big nation with a population of 1.2 billion. Its changes have an important significance to the world. Therefore, the EC should closely follow the nation's development.

He said the EC is planning a major restructuring of its policies next year and improved bilateral understanding and cooperation with China, on the basis of equality and mutual benefit, was vital.

Klepsch, who is leading a high level delegation, said he will hold talks with Chinese President Jiang Zemin, Chairman of the National People's Congress Qiao Shi and Vice Premier and Foreign Minister Qian Qichen.

### Reportage on EC Parliament President's Visit

#### Meets Qiao Shi

OW0310125793 Beijing XINHUA in English 1237  
GMT 3 Oct 93

[Text] Beijing, October 3 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), today said that China and the European Community (EC) countries "have a lot to do" in developing cooperation in different fields.

Qiao made the remark during a meeting this afternoon with President of the European Community Egon Alfred Klepsch and his party, who are here for a six-day goodwill visit at the invitation of the NPC Standing Committee.

Qiao, extending a warm welcome, said he expects that President Klepsch's visit will help enhance the contact between the Chinese NPC and the European Parliament and promote the friendly cooperation between China and the European Community.

China has always adopted a positive attitude towards developing relations with the European Community, he said, adding that differences in cultural traditions, concepts of values and social systems should not affect the growth of friendly relations.

Qiao expressed the conviction that with joint efforts, China and the European Community will further

enhance mutual understanding, expand cooperation, improve and develop relations.

China's economy has enjoyed rapid development in the past decade and more, and will maintain a good momentum of growth in the future, with its huge market presenting vast potentials, he said.

China and the EC members have a lot to do in developing cooperation in the various fields of economy, trade, science, technology and other fields, he added.

Klepsch noted that Europe is following closely with the development of China, which he said is playing an increasingly important role, both in political and economical terms in the world. Therefore, he called China "a very important partner of the European community."

He expressed the hope that cooperation in GATT (General Agreement on Tariffs and Trade) talks and other aspects will serve to promote EC's ties with China.

After the meeting, Qiao hosted a dinner in honor of Klepsch and his party.

#### Talks With Jiang Zemin

OW0410042593 Beijing XINHUA in English 0352  
GMT 4 Oct 93

[Text] Beijing, October 4 (XINHUA)—Chinese President Jiang Zemin met with president of the European Parliament Egon Klepsch here this morning, when the two leaders expressed the mutual hope of seeing a further growth of relations between China and the European Community (EC).

In the hour-long meeting Jiang extended a warm welcome to Klepsch, who is on his first visit to China in the capacity of president of the European Parliament. He is here at the invitation of the Standing Committee of China's National People's Congress.

Jiang said he is delighted to see the increasing contacts between the National People's Congress and the European Parliament, saying he expects such exchanges to enhance the mutual understanding and friendly cooperation between China and the EC as well as between China and the EC members.

Klepsch voiced the wish that his visit would contribute to the expansion of the EC's ties with China.

The EC parliament leader said he admires what he called the "unrivaled economic achievements" of China. He noted that Europe, which is undergoing vast changes just

like China, follows closely the developments in China and hopes to develop further co-operation with this country.

Jiang, in a brief account of China's domestic situation, said that China has set itself the goal of establishing a socialist market economy. In this process, he explained, it needs to study the advanced managerial practices as well as scientific and technological achievements of other countries, including the capitalist ones.

While striving to develop a socialist market economy, China is working continuously to perfect its socialist democracy and legal system, by proceeding from national realities, said Jiang, who is also general secretary of the Chinese Communist Party.

#### Sees 'Full Normalization' of Ties

OW0410100793 Beijing XINHUA in English 0914  
GMT 4 Oct 93

[Text] Beijing, October 4 (XINHUA)—President of the European Parliament Egon Klepsch said here today that his visit to Beijing marks full normalization of the European Parliament's relations with China.

Klepsch said this to XINHUA at the end of a press conference he gave this afternoon, shortly before leaving for provinces to continue his six-day goodwill visit to China.

Asked whether the trip symbolizes full normalization of the European Parliament's relations with China, Klepsch said that "the relations are normal, but you can say that."

Klepsch told the press conference that the "main message" he got from his visit is that China hopes to develop "a long-term and stable relationship" with the European Community (EC). Besides, he said, he was impressed by "the new generation of Chinese leaders," including President Jiang Zemin and chairman of the Standing Committee of the National People's Congress Qiao Shi.

Also, the EC Parliament leader said the trip has better acquainted him with China's reform, opening up and economic development. The process of China's development will facilitate the growth of EC's relations with China, he said.

EC and China share common points in international affairs and other aspects, and "the major problem now" is that they do not know each other well enough, he noted. Therefore, he urged the two sides to increase contacts. Towards that end, he said, the European Parliament will send another delegation to China within this month.

**Political & Social****Public Security Officers Thwart Hijack Attempt***HK0410131593 Hong Kong Television Broadcasts  
Limited in English 1200 GMT 4 Sep 93*

[From the "News at 8:00" program]

[Text] Another Chinese airliner barely missed being hijacked today. Public security officers at Baiyun Airport in Guangzhou intercepted a man carrying explosives in his luggage. Five detonators were found in the man's baggage as he boarded the plane for Xiamen. He claimed to be a soldier and said he was sick and troubled, and wanted to hijack the plane to Taiwan. He is now being detained and the plane left Guangzhou on schedule. An airport spokesman says there have been several dozen hijacking attempts so far this year.

**Police Detain Journalist Gao Yu Bound for U.S.***OW0410080793 Tokyo KYODO in English 0740 GMT  
4 Oct 93*

[Text] Hong Kong, Oct. 4 KYODO—Chinese police have detained a prominent Beijing journalist just days before she was scheduled to take up a scholarship at New York's Columbia University, Chinese media sources said Monday [4 October].

Gao Yu was taken from her Beijing home Saturday afternoon by local public security officials, the sources said. The officials are believed to have presented her with some kind of warrant but it is unclear whether she has been formally charged with any criminal offense.

Gao, 49, worked for the semiofficial CHINA NEWS SERVICE for 10 years until 1988 when she became deputy editor of the now-defunct ECONOMIC STUDIES WEEKLY, a publication set up by prominent intellectual dissidents Wang Juntao and Chen Ziming.

Both men are currently serving lengthy prison terms for allegedly masterminding the 1989 democracy movement.

Gao spent almost two years in detention after the military crackdown on pro-democracy demonstrators in Tiananmen Square in 1989 and has not been employed in the Chinese media since her release in August 1990.

Originally scheduled to arrive in Hong Kong on Monday, she was due to fly to the United States on Saturday to begin a one-year research scholarship in journalism at Columbia.

News of Gao's detention comes just one week after a Hong Kong reporter was arrested in Beijing on charges of breaking China's State Security Law.

In August, China sentenced a journalist with the official XINHUA NEWS AGENCY to life imprisonment after

he gave a Hong Kong journalist an advance copy of a major public speech by Communist Party General Secretary Jiang Zemin.

**Further on Detention***HK0410095393 Hong Kong AFP in English 0943 GMT  
4 Oct 93*

[Text] Beijing, Oct 4 (AFP)—Chinese authorities detained a dissident journalist before she was to leave for the United States, apparently as part of an ongoing crackdown to tighten control over the media, friends said Monday. The journalist, Gao Yu, 49, was deputy editor of the now defunct Economics Weekly, a liberal newspaper run by Wang Juntao and Chen Ziming, two leaders of the 1989 protest movement now serving 13-year jail sentences.

Police went to Gao's home on Saturday and detained her for investigation, the sources said. Her whereabouts were not immediately known and an official reason for her detention was not provided. Friends said Gao's detention was possibly linked to the detention late last month for alleged espionage of a Hong Kong reporter, Xi Yang, who like Gao used to work for the China News Service [ZHONGGUO XINWEN SHE], a semi-official agency. But a close family member ruled out the connection, saying such speculation was "groundless."

Gao spent 14 months in detention for her role in the 1989 movement and was released August 28, 1990. Although unemployed since, she had continued working as a journalist after her release, often contributing stories to publications in Hong Kong and Taiwan on a freelance basis, which is officially sanctioned provided the articles do not contain any classified or politically sensitive material.

Gao was scheduled to leave for Hong Kong on Monday en route to the United States to spend a year at Columbia University's School of Journalism.

"I hope she is released quickly after what is obviously a misunderstanding is cleared up," the family member said.

The Economics Weekly was outspoken in its criticism of China's communist system, and became a symbol of the free press for its extensive coverage of the Tiananmen Square demonstrations.

China recently launched a crackdown on the media, seeking to plug any leaks to the foreign press. In August, a Xinhua news agency reporter was sentenced to life imprisonment for selling a classified speech by leader Jiang Zemin to a Hong Kong newspaper.

Xi Yang, a staff reporter for Hong Kong's Chinese-language Ming Pao newspaper, was detained September 27 on charges of "espionage regarding state secrets on banking" and others involved in his case also caught, according to official reports.



A former senior editor for the Shanghai daily, Xinmin Evening News, was barred from leaving China last Friday, apparently after he published an article revealing the cozy ties between Shanghai's police and karaoke club owners.

### Chinese Reporter Barred From Leaving Country

HK0210072293 Hong Kong AFP in English 0701 GMT  
2 Oct 93

[Text] Tokyo, Oct 2 (AFP)—A Chinese journalist, who wrote a story exposing alleged links between security officials and night club owners in Shanghai, has been barred from leaving the country, his associates in Tokyo said Saturday.

Xu Keren, a senior editor of Shanghai's Xinmin Evening News [XINMIN WANBAO], was blocked by airport officials Friday when he checked in at Shanghai airport for a flight to Tokyo to visit his family here, the associates said. His passport and other documents were confiscated although he was not arrested, they added.

The Japanese newspaper Yomiuri carried a report on the incident in a dispatch from Shanghai.

In Shanghai police had no comment on the case. A family reunion had been planned for the traditional Chinese Mid-Autumn Festival as Wu's wife has been living in Japan along with the couple's daughter since 1988 when she came to Tokyo to study Japanese. Wu, a former deputy editor-in-chief of the largest Chinese evening newspaper, previously visited Tokyo in February, friends of the couple said.

They added that the journalist had been targeted by authorities since his article about the cozy ties between security officials and karaoke club owners in Shanghai was published on July 9.

### RENMIN RIBAO, JINGJI RIBAO Have New Chief Editors

HK0410045493 Hong Kong LIEN HO PAO in Chinese  
3 Oct 93 p 8

[Report by mainland information center: "Fang Jingyi Will Take Office as RENMIN RIBAO Chief Editor Tomorrow"]

[Text] Days ago there was news saying that the RENMIN RIBAO chief editor would be replaced. Now it has been confirmed that JINGJI RIBAO chief editor Fan Jingyi will take up the post of RENMIN RIBAO chief editor on 4 October, whereas the post of JINGJI RIBAO chief editor will be filled by former JINGJI RIBAO assistant chief editor Yang Shangde. As learned, this is the first time that the chief editor of CPC organ RENMIN RIBAO will be replaced by a person under the State Council.

As learned, former RENMIN RIBAO chief editor Shao Huaze had to be replaced because at a recent editorial

board meeting, board member Bao Yujun openly accused Shao Huaze of pursuing "Gao Di's line without Gao Di" since he was appointed RENMIN RIBAO director during the 14th CPC National Congress at the end of last year. Bao Yujun's remarks helped express the long-repressed resentment in RENMIN RIBAO. To console the majority, the high-level CPC leadership decided to appoint enlightened Fan Jingyi as RENMIN RIBAO chief editor. Shao Huaze was JIEFANGJUN BAO director before his transfer to RENMIN RIBAO. The current adjustment also indicates the withdrawal of the military from RENMIN RIBAO.

The current replacement of the RENMIN RIBAO chief editor is the third in the last four years since the 4 June incident. These three personnel changes have occurred for the same reason—ideological contention between reformists and conservatives. Not long after the 4 June incident, many high-level personnel in charge of editorial work, including RENMIN RIBAO director Qian Liren and chief editor Tan Wenrui, were dismissed from office; infamous conservative Gao Di was appointed RENMIN RIBAO director and former JIEFANGJUN BAO director Shao Huaze chief editor. Because Gao Di had too strong a conservative flavor, he was replaced by Shao Huaze at the end of last year. In less than a year, there is news again on the replacement of the chief editor.

As learned, although JINGJI RIBAO is under the leadership of the conservative State Council, Fan Jingyi is comparatively enlightened in ideological style. When he was in charge of JINGJI RIBAO, its comments were quite bold and open, as compared with other major newspapers in Beijing. Since the beginning of this year, its serial reports on "renamed companies" and state enterprises' structure have been noteworthy. It is generally believed that Fan Jingyi's transfer to RENMIN RIBAO will help remove the depressed atmosphere in RENMIN RIBAO since the 4 June incident.

### Banking Personnel Warned Against Corruption, Laxity

HK0110135093 Beijing RENMIN RIBAO in Chinese  
28 Sep 93 p 1

[Editorial: "The Financial Sector Must Always Sound the Alarm"]

[Text] Yesterday, the Supreme People's Court published the trial proceedings and results of four particularly large cases in which Hainan's Xue Genhe and others practiced graft, embezzled public funds, and fled the country; Zhejiang's Feng Yang practiced graft and fled the province and the country; Beijing's Luo Yuhai practiced graft and embezzled public funds; and Guangdong's Xu Xiaochun practiced graft. All four of these cases happened in the banking and financial system, so the matter is worthy of the attention and deliberation of comrades of all sectors in society, and especially of comrades in financial circles.



Banking and finance are the lifeline of the national economy, and play an important pivotal role in the entire national economy. In establishing the socialist market economic system, the roles of banks and other financial organizations are more important and more conspicuous. If banking and financial departments operate normally, they can spur economic development. If there is any problem with them, they will obstruct economic development.

Xue Genhe and others used the convenience afforded them by their jobs with banks and financial organizations to conspire with criminals outside. They embezzled large amounts of state and private property in a frenzied way, and then indulged in revelry and lived a life of wanton extravagance. The amount of money thus embezzled in each case exceeded one million yuan, and the Xue Genhe case even involved an amount as high as 33 million yuan. In the meantime, owing to the shortage of funds, some production and construction projects the state badly needs cannot be started. Owing to the shortage of funds, many localities are having difficulty getting out of poverty and large numbers of children in the countryside are having to quit school as they are unable to pay school fees. The saying runs: One who frequently does evil is doomed to death. Those "nibbling worms" and "sharp-toothed rats" who made an fortune infamously and those nouveaux riches who helped themselves to the national treasury deserved to be seriously punished according to the national law. Their punishment is to the immense satisfaction of the people!

The four major cases and some other large financial cases share a common characteristic: The perpetrators do not hold very high positions. Some are section heads or unit heads; others are bookkeepers or auditors. They are not very old either. Most of them are in their thirties; others are in their twenties. However, their greed and the amounts they have embezzled are so great as to be stupefying. In recent years, following the rapid development of the economy, banking and financial services also have developed very rapidly, and the banking and financial contingent has expanded rapidly. Generally speaking, our banking and financial contingent is good. The overwhelming majority of cadres, staff, and workers work selflessly in the public interest and are devoted to their duties. It is a matter of fact, however, that an extremely small number of people with poor ideological qualities have mixed themselves in with the banking and financial contingent. Since our education, training, and the like have not caught up with the needs of the situation, some people who originally had fairly good qualities have degenerated under the influence and corrosion of bad practices and corrupt ideas. We should take this as a lesson and should conscientiously strengthen the ideology, organization, professional training, and practice of the banking and financial contingent. For young people who want to join banking and financial work, we must provide them with rigorous prevocational ideological training, as well as vocational training. Those who already have joined the work

without having received any such training should make up the missed training. More important, it is necessary to follow Deng Xiaoping's instruction that "we do two types of work and attach equal importance to both"; conscientiously strengthen ideological and political work; and systematize ideological, moral, and discipline education, as well as education on the legal system; and make them regular work. For those staff and workers who deal with money and valued securities, we should always sound the alarm and do our work before them. We should stress educating them against money worshiping, hedonism, and extreme individualism. We should help cadres, staff, and workers foster a correct outlook on life, a correct world outlook, and correct values. We should encourage the lofty spiritual virtue of being honest in performing one's official duties, and ensure that "those who frequently walk past the river do not get their feet wet" and that "those in the mountain of gold take none from it."

Another common characteristic shared by the four major cases and other large financial cases is that the perpetrators have perpetrated crimes continuously for a fairly long time and have succeeded in all these cases. Have they used particularly good means in all these cases? No. Is there a lack of strict regulations, rules, and systems? No. Although relevant regulations, rules, and systems should be further improved, especially the supervisory and restricting mechanisms, yet generally speaking, the regulations, rules, and systems of banking and financial departments have few loopholes. The point is that the leaders of a few units do not strictly enforce these regulations, rules, and systems. It is either that they do not understand financial matters, or that they do not seriously learn them although they hold banking or financial positions. Others, while having an understanding of financial matters, are not responsible and exercise loose management as if the regulations, rules, and systems were there for no purpose. An extremely few others wield power to seek personal gain, wink at and shield criminals, aiding the growth of their arrogance. Therefore, we see that the question ultimately lies with leaders. It is necessary to further build up leading groups of banking and financial departments and units at all levels, and to pay special attention to assigning to leadership posts those comrades who are good ideologically, have moral integrity, understand vocational matters, are good at management, and have a strong sense of responsibility. This is one of the crucial points in preventing economic crimes in the banking and financial system. Unit leaders who have given convenience to criminals owing to their dereliction of duty or to malpractices in such a way that they have caused great losses to the state should have legal responsibility affixed to them. They must not be treated lightly, by merely carrying out self-criticisms, and their legal responsibilities should not be substituted by party or government disciplinary actions.

Practice proves that the policy decision pursued since the beginning of the year by the central authorities to

strengthen macroeconomic regulation and control, and particularly to conscientiously straighten out the financial order, is completely correct. With banking and financial organizations at all levels straightening out order and strengthening management, such activities as illegal lending and illegal money collection have been effectively curbed, accounting discipline has been strengthened, and the foreign exchange market has tended to be stable, thus playing a positive role in ensuring the sustained, speedy, and healthy development of the national economy. After deciding to strengthen macroeconomic regulation and control, the central authorities decided to launch the anticorruption struggle, and this is very necessary. People of all sectors, especially leaders at all levels and vast numbers of staff and workers in banking and financial departments and units, must heighten their vigilance, continue their good work, and closely coordinate with law enforcement departments and people of all sectors to launch a thorough and lasting anticorruption struggle.

#### **Security Ministry Holds Anticorruption Teleconference**

HK0210045793 Beijing XINHUA Domestic Service in Chinese 1342 GMT 25 Sep 93

[By reporter Zhang Sutang (1728 1372 1016): "Ministry of Public Security Holds Anticorruption Telephone Conference"]

[Text] Beijing, 25 Sep (XINHUA)—Tao Siju, minister of public security, today required that, for a certain period, public organs at all levels are to focus on investigating serious cases of lawbreaking and discipline violations among leading organs and leading cadres who knowingly offended laws while playing the role of law enforcers, who took bribes, twisted the law, and harbored criminal offenders. Action should be taken fearlessly and selflessly according to the principle of the party spirit, especially in difficult cases.

Tao Siju said this at a telephone conference attended by public security organs throughout the country. He said: The public security personnel involved in cases of lawbreaking and discipline violations, no matter whether they are ordinary policemen or leading cadres, should be seriously investigated and severely punished. The upper levels of the public security organs should send work groups to supervise subordinate units where the attitude toward the anticorruption struggle is not resolute enough, where effective action has not yet been taken, and where the work of investigating serious and major cases is making slow progress. Those who obstruct the investigation of corruption cases, conceal such cases, deliberately delay the handling of such cases, or even harbor the offenders involved in such cases must be punished seriously. At the same time, the irregular practices of the public security organs that have aroused strong resentments among the masses must be checked.

Tian Qiyu, vice minister of public security, summed up the anticorruption work in the public security organs in the previous period. He said: Since the summer of 1993, the public organs in various localities, under the leadership of the local party committees and the local governments, have conscientiously put into practice the spirit of the Second Plenary Session of the CPC Central Discipline Inspection Commission and have fully launched the struggle against corruption according to the arrangements and requirements of the party committee of the Ministry of Public Security. In many provinces and regions, the public security organs have set up leading groups responsible for opposing corruption and promoting honest and incorrupt work, have strengthened leadership over the anticorruption struggle, have organized the struggle more effectively, and have studied and formulated concrete measures and fixed targets for the current stage in the anticorruption struggle. They linked the anticorruption struggle with screening and reorganizing business companies and checking irregularities in levying, imposing fines, and collecting fees. Efforts were focused on handling major and serious cases. Time limits were fixed for handling such cases, and effective measures were adopted. In many places, leading cadres were assigned to take charge of handling specific cases, and strong and competent investigation teams were set up to handle major and serious cases. Initial results have been achieved in checking irregularities in some localities.

Jiang Xianjin, vice minister of public security, read the minister's order No 14 entitled "Ten Prohibitions for Public Security Organs and Personnel." This is aimed at further promoting an upright and honest work style in the public security departments. Public security organs and personnel are not allowed to run dance clubs, karaoke bars, restaurants, beauty salons, video theaters, massage parlors, and bath houses, nor can they provide protection for such shops. They are not allowed to hold any shares—overtly or covertly—in such businesses. They are not allowed to serve any enterprises, institutions, and individuals by pressuring debtors to repay debts or involve themselves in any economic disputes, and they are not allowed to use police functions to collect fees, levies, and fines for other institutions. Jiang Xianjin also announced the Public Security Ministry's "Decision on Terminating 16 Types of Irregular Charges."

At today's telephone conference, Li Yuzhang, director of the Shanxi Provincial Public Security Department; Zhu Daren, director of the Shanghai Municipal Public Security Department; and Huang Songlu, director of the Fujian Provincial Public Security Department, separately briefed their colleagues about the progress of the anticorruption struggle in their own localities.

#### **Problem of 'Banqueting at Public Expense' Examined**

HK0210055193 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0756 GMT 27 Sep 93

["Special article" by reporter Si Liang (1835 5328)]

[Text] Hong Kong, 27 Sep (ZHONGGUO TONGXUN SHE)—The CPC instructed party and government departments in various localities to "take vigorous measures to restrain several unhealthy tendencies which have whipped up strong resentment among the masses," including the tendency of "banqueting at public expense."

According to a source in Guangdong, where banqueting at public expense is the most popular, the provincial party committee has warned high-ranking party and government cadres not to drink imported wine and eat abalone, shark's fin, and edible bird's nests at public expense. In Shenzhen, which sees the highest rate of consumption on the mainland, party and government cadres were also warned against wining and dining and sending gifts at public expense or attending dinner parties at enterprises' invitation, as the Mid-Autumn Festival was drawing near. It is learned that business in restaurants, night clubs, sauna parlors, and karaoke bars in Guangzhou and Shenzhen is decreasing and that the consumption of social groups has declined by 20 to 30 percent. But many people are concerned that this situation only appears when the anticorruption campaign is being launched with the force of a thunderbolt. As soon as the "storm" blows over, they said, everything will slip back into its old way or even go from bad to worse.

Indeed, this is not a groundless worry. In the past, the central, provincial, and municipal governments have issued many documents trying to stop banqueting at public expense, which had run rampant, but the tendency persisted, rising and subsiding. Taking advantage of the opening up, many mainland officials banqueted at public expense in a big way. It is reported that banqueting at public expense made up 60 percent of the turnover of large and medium restaurants and guest houses. Such banquets were often given to mark the opening or the anniversary of a business, as well as the laying of a foundation stone or the completion of a project. They were also given at press briefings, meetings to select advanced units or individuals, or a business fair as well as for signing contracts, celebrating festivals, establishing favorable human relationship, and "gaining the favor of important officials." In short, such banquets were given on the mainland in more names than any other place in the world.

The catering culture of an ancient country developed to such a surprising extent once it was "grafted" on public money: Every night saw some people sitting at rows of tables enjoying food of every kind including fish, bears' paws, and even food of which one ingredient was gold, and drinking famous imported wine while playing and singing. Such a catering culture, I think, has nothing to do with our 5,000-year-old culture. With "culture" gone, what is left is "sumptuous dining and wining."

In such a big country as China, too many places want money while the government's budget does not provide an ample surplus every year. So far, the food and clothing problems have not been solved in some areas

and more than 30 million people still lead a poor life. Again, a large number of primary school buildings are in a state of decay and many peasants cannot afford to send their children to school. However, extravagance and money-worshipping have become the order of the day in the official circles and tens of billions of yuan of public money have been spent on sumptuous wining and dining and overseas trips. Such a sharp contrast makes us feel acute distress.

Banqueting or traveling at public expense is found in every country, but in the mainland it has become a puzzling and long-standing problem with economic management and the style of the CPC. The main causes are: 1) On the mainland, public ownership is the main form of ownership, so public money is spent in a wide area and on a large scale. 2) The management authority has no authority, so it cannot exercise effective control when public spending inflates drastically. In the meantime, the government budget is not subject to control and rigid examination and cadres who abuse public money for personal purposes are not punished. 3) There is a lack of media supervision and of channels by which the masses can exercise supervision. The malpractice is also related to individuals' traditional ideas, habits, cultural and financial status, and educational attainment.

In view of the fact that factors leading to the "tendency of banqueting at public expense" are complicated, the CPC simply must make great efforts to hold the tendency in check.

### 'Special Article' Views Causes of Rampant Smuggling

HK0210072893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0931 GMT 14 Sep 93

["Special article" by correspondent Si Liang (1835 5328)]

[Text] Hong Kong, 14 Sep (ZHONGGUO TONGXUN SHE)—Smuggling and criminal activities on the mainland are getting out of hand. A few party and government organs and law-enforcement departments have been conspiring with smugglers. With corruption, bribery, and smuggling feeding on each other, the situation has deteriorated to such an extent that harsh measures are called for. Therefore, while declaring war on corruption, CPC high levels have also stressed efforts to combat smuggling. Investigations into major and serious cases should embrace leading organs and law-enforcement departments and their personnel to find out their possible roles in smuggling activities, with the aim of checking waves of smuggling through cracking down on corruption.

There were several upsurges of smuggling activities in some mainland areas in the early stages of reform and opening up, which were quickly put out by a few rounds of harsh crackdown. However, beginning with the 1990's, particularly since 1992, smuggling in coastal and border areas has again become horrendous. All kinds of



goods are being smuggled: Cartons of cigarettes, electric appliances, cars, and an increasing number of artifacts, drugs, and pornography. Conspiracy involving officials, the enormous monetary value of contraband, the extensive areas covered, an increasing various means of concealment, advanced equipment, and increases in big and serious cases are the new characteristics of smuggling activities on the mainland in recent years.

It is understood that mainland customs last year cracked close to 10,000 smuggling cases and seized 1.32 billion yuan worth of contraband, 80 percent more than the previous year. There has been an notable rise in the number of big and serious cases. There have been 260 cases involving over a million yuan in smuggled goods, a 70 percent rise over last year. In the first half of this year Guangdong Province investigated and tackled some 3,000 cases and obtained 600 million yuan in fines and confiscated funds. This smuggling wave has caused great damage to the country and the people and endangered the effort to deepen reform and speed up economic development. High-level CPC authorities regard smuggling not merely as an economic, but also a political problem, and a very serious one. It is the result of serious demoralization and corruption, and the collusion of officials in party, government, and law-enforcement departments with smugglers is destroying the social foundation.

Smuggling on the mainland has grown more rampant despite all efforts to stop it. The reasons for this are complicated. But the most important is the deep penetration of the germ of corruption. Some party and government organs and law-enforcement departments and their affiliated firms—whether state-operated or collectively run—participate openly in smuggling under the guise of trade and in this way “legalizing” it to obtain money. According to customs statistics, 759 smuggling cases uncovered by customs involved firms and non-profit making units, and 440 million yuan worth of smuggled goods were seized. Information also shows that a few public security, armed police, and customs personnel colluded with smuggling rings and snake heads, offering them protection to obtain money. The second reason is that the violation of law, lax law enforcement, and ineffectual crime-fighting campaigns have never been really corrected. A few regions and departments simply ignore party discipline and the law of the country, protect or provide refuge to smugglers, fine them instead of punishing them, have smugglers surrender themselves, stage sham antismuggling operations, then release these smugglers with a warning or a fine, placing themselves or their own words above the law. Another important reason is that some local authorities or units are politically weak and shortsighted and believe that smuggling is a money-generating practice and a “shortcut” for wealth. Having only their group and local interests in mind, they turn a blind eye to smuggling or adopt various administrative policies to protect the activity. Arguments such as “becoming rich through smuggling” and “clamping down on smuggling bad for business”

have quite a market in some areas and units. But many of the people offering protection or engaged in smuggling supposedly for the sake of the whole group are only doing this for private benefit.

CPC high levels, shocked by the epidemic of smuggling, recently stated unequivocally that antismuggling will be an important aspect of the anticorruption drive and the area where the anticorruption drive will make a breakthrough, indicating its determination to put an end to smuggling amid anticorruption. Departments concerned in the mainland are considering a series of measures such as centralizing the administration of antismuggling force, renewing and upgrading the force's equipment, and revising the fine and confiscation punishment in an attempt to correct completely the situation of weak leadership, loose organization, ineffectual clampdowns, and rampant smuggling in antismuggling work.

### **Commentary Praises Economic Reform, Anticorruption Drive**

*HK0210042093 Beijing CHINA DAILY in English  
1 Oct 93 p 4*

[“China Daily Commentary” from the “Opinion” page: “Forty-Four Years Old”]

[Text] Our People's Republic celebrates its 44th birthday today. It is pertinent for us to review the path the nation has traversed in the last year.

Last October, at its 14th Congress, the Communist Party of China endorsed a socialist market economy as the orientation for the nation's development. The past year has witnessed the nation's strenuous effort in this direction.

With the reform and opening policy deepening and widening, China's economy has kept growing at a relatively fast pace. Both urban and rural development continues to thrive and the people's living standard is improving.

However, as this, in effect, is a trail-blazing undertaking, the Chinese people and government have to learn their way while moving forward, as new problems have also turned up. Noticeably, they are now learning to use more economic and legal means to cope with problems.

When signs appeared in the first half of this year that some sectors of the economy were becoming overheated, the central government, instead of slamming on the brakes as it would have done in the past, took measures to strengthen macro-control over the economy and adopted reform measures for economic restructuring.

These measures include rectifying financial disorder, curbing speculative investment and halting duplicate construction. Meanwhile, firm and substantial support, in terms of policy and funds, was given to agriculture, basic industries and the building of infrastructure.



The readjustments caused pain in some sectors, but it saved the economy from violent fluctuations and brought it back on a healthier track.

Spiraling industrial growth is down considerably. Bank deposits are up and the major part of illegal inter-bank lending, for illegal speculative purposes, has been curbed.

Local fervour in setting up development zones despite absence of necessary conditions and speculation in real estate and security markets have been cooled down.

The exchange rate of Chinese currency on swap markets and prices of production materials are kept stable. Revenue of the central government is picking up. The consumer market continues to be brisk.

Needless to say, the readjustment package has placed only temporary dampers on unwanted growth, and some problems still stand out.

For example, an excessive amount of paper money has been issued. The scale of capital construction is still oversized. Inflation remains high and increases in State revenue fail to keep pace with economic growth.

However, the central government well comprehends the situation. It has repeatedly pointed out that the fundamental way out is to deepen the reform, especially in banking, finance, taxation, State-owned property management, investment supervision and foreign trade.

Comprehensive reform calls for an efficient and clean administration to ensure its success. Thus equally high on the agenda of the Party and the government this year is a fight against corruption—a fight now going ahead at full steam across the country.

Although the majority of government officials are honest, the abuse of power by some for personal gain has become so serious that, if unchecked, it may well ruin the Party's image and the nation's modernization programme.

The key to the success of this campaign lies in eliminating corruption from leading Party and government departments.

It is gratifying to see that the Party and government have taken serious action to wipe out corruption.

This also requires legislation to define government functions, strengthen supervision and lay down a code of behaviour for government officials.

In this regard, the Provisional Regulations on Civil Servants, promulgated by the State Council, which takes effect today, will play an important role.

As the People's Republic enters its 45th year, we believe that China will continue to resolutely adhere to the policy of reform and opening and concentrate on its economic development and on raising the living standards of the Chinese people.

For a long time, China will remain a developing country. It will require more painstaking effort by several generations into the future before China will be able to catch up with medium-developed countries in the world.

Yet, today's fast developing economy in our country will undoubtedly be an important contribution to the stability and prosperity in Asia and the world.

## Hong Kong Papers on National Day Observance

### TA KUNG PAO Editorial

*HK0210070493 Hong Kong TA KUNG PAO in Chinese  
1 Oct 93 p 2*

[Editorial: "The Great Cohesiveness of the Chinese Nation—Celebrating the 44th Anniversary of the PRC's Founding"]

[Text] The Chinese people have a habit, that is, whenever the joyous festival of National Day comes, we look back to the past year to enumerate the footprints left behind and to speak of the changes in our motherland, so as to inspire ourselves to work with a will to make our country strong, to keep forging ahead, and to build a more glorious motherland.

Today is the 44th anniversary of the PRC's founding. Compatriots in all walks of life in Hong Kong, the whole nation, and all Chinese people around the world are expressing in various forms their deep love and wishes to their motherland.

Over the past year, our motherland surmounted every difficulty and kept forging ahead. This year, on the basis of last year's high-speed growth, the national economy has been maintaining the momentum of flourishing development. The process of economic restructuring, which aims at establishing and developing a socialist market economy, is accelerating. The political restructuring, which is marked by the full implementation of organizational reform and a civil service system, as well as reform of the wage system, has made great strides. The building of a clean government, with emphasis on anti-corruption work, is markedly strengthened, and diplomatic work has further developed and China keeps upgrading its international status.

What is particularly heartening is that our motherland's and nation's cohesiveness is getting stronger and stronger. The actions taken by the compatriots in Hong Kong are a case in point: When Patten was challenging the Chinese side and harassing and disrupting Hong Kong's smooth transition, the Hong Kong people still had full confidence in China and the future of Hong Kong. When our country was encountering transient difficulties in economic development, the Hong Kong people still actively invested in the mainland. When Beijing bid for the Olympics, the Hong Kong people zealously shouted cries of encouragement, and when the

motherland was under the attack of anti-Chinese forces in the West, the Hong Kong people sternly denounced it out of a sense of justice.

This kind of cohesiveness was strengthened in reform and opening up, in the anticorruption struggle, and in withstanding the pressure exerted by anti-Chinese forces in the West.

China's reform and opening up is a great and brand-new cause. It is precisely this cause which has encouraged our national spirit, promoted our country's prosperity, and inspired overseas Chinese. The deeper the reform and opening up, the stronger our motherland's and nation's cohesiveness. This year, the financial sector throughout the country had some chaos which brought about a grim situation manifested by a shortage of funds and inflation, and some worried that our country would back-track. Faced with difficulties, the central authorities resolutely made the policy decision of heightening macroscopic regulation to accelerate reform and using the method of reform to solve problems. Various programs of economic and political restructuring were introduced, some of the conflicts and problems were settled, and economic development turns to a favorable cycle. People observe from facts that China's basic policy of reform and opening up will never waver, thus strengthening everybody's confidence in our motherland.

A consistent policy of the CPC, which wholeheartedly serves the people throughout China, is to fight against corruption and advocate a clean government. Since the beginning of this year, the CPC Central Committee and the State Council have paid closer attention and taken more resolute actions with greater determination in the anticorruption struggle to deal with corrupt phenomena arisen under the new situation. Now, this struggle is being vigorously and speedily launched. The broad masses are actively exposing and denouncing cases of corruption; leading organs, judicial departments, executive and law-enforcement departments, and economic management departments are taking the lead in putting themselves in order; and various localities have investigated and punished a number of big and important cases, and executed those grafters who were guilty of the most heinous crimes. In this struggle, people further witness the hope of our country and nation.

Some Western countries do not want to have a strong and peace-loving China standing like a giant in the world and always try every possible means to find an excuse to create disturbances to bully and attack China. Since the beginning of this year, on the grounds of so-called "human rights" or on the basis of some fabricated and hearsay "intelligence," they frequently interfered in China's internal affairs, threatened to impose "economic sanctions" against China, and adopted resolutions to oppose Beijing's bid for the Olympics, which were really domineering. They believe that they can, by so doing, stop China from marching to the world and becoming prosperous and strong. To their surprise, the greater extent they bully and oppress us, the more cohesive the

Chinese nation becomes, and the higher aspirations the Chinese people have. The United States and Britain joined hands with each other to thwart Beijing's bid for the Olympics, but it is precisely this incident which has inspired the Chinese people's spirit of working with a will to make the country strong and aroused overseas Chinese's patriotic feeling! When the Beijing City Olympic Bid Delegation returned home, workers, peasants, university students, and athletes said in an usually emotional way that "no forces can stop China from marching to the world." This is the common aspirations of the Chinese people inside and outside the country.

Our motherland's and nation's cohesiveness is an invincible strength. China, which is as solid as a rock with one heart and one mind, will never be intimidated into submission and overwhelmed by any difficulty. Our motherland, which is getting stronger and stronger, can definitely safeguard Hong Kong's prosperity, stability, and smooth transition.

#### WEN WEI PO Editorial

HK0110135593 Hong Kong WEN WEI PO in Chinese  
1 Oct 93 p 2

[Editorial: "Rejuvenating China in Higher Spirits—A Message of Congratulations on the 44th Founding Anniversary of the PRC"]

[Text] With great joy, Hong Kong compatriots are celebrating the 44th founding anniversary of the PRC.

There are prominent characteristics of this year's National Day celebrations: China's national strength has never been as great as it is today and China's economic development has never been so swift as it is today. What is more important, China's economy has got rid of the traditional planned economic mode and irreversibly embarked on a new development road.

This was an important strategic decision made in an important period. The 14th CPC National Congress at the end of 1992 decided that the reform objective for the next period was to establish a socialist market economy. This indicates that the 14-year-long reform has entered a new period and has a new, clear objective.

This was quite an important and timely decision. With this decision, China can improve its productive forces and develop its economy faster and better, can converge with the international market, can make good preparations for admission into GATT, and can usher in a larger scope of reform and opening up more boldly.

China has opened not only its coastal areas, but also its hinterland provinces. China has also promulgated a preferential policy on foreign capital allowing transnational firms to invest in hinterland provinces and market access for their high-tech products. The market economy has brought into play the initiative of localities, rural areas, and members of the community. It has speeded up

the development of export-oriented economies in coastal provinces and has also promoted hinterland provinces' economies.

At a time when Western industrialized countries are experiencing economic depression, with increased unemployment, China has made world-renowned achievements. This year China has registered 13 percent growth and will continue to show a strong impetus of growth for a long period to come. In 1992 China's iron and steel output stood at 80 million metric tons, an increase of 1.5 times over the period before 1978; the output of color television sets was 13.14 million in 1992, an increase of 3,400 times over the 1978 output of 3,800. Now commodity supplies for urban and rural areas in China are rich and the people's purchasing power is increasing. Accurately aiming at a consumer market with 1.2 billion people, foreign businessmen have actively made investments. Foreign investments in China amounted to \$37.2 billion by the end of 1992. In the first half of this year, foreign capital increased by a wide margin. Foreign investments amounted to 4 million yuan [as published] over six months.

For a time the West was highly delighted by the disintegration of the Soviet Union and Eastern Europe, thinking that they had found huge, new markets. Facts over the last four years have proved that Western businessmen have not benefited much from the Soviet Union or Eastern Europe. Their goods shelves are full of dazzling Western commodities, but local people do not even have adequate money to buy food and their consumption power is decreasing. How can they have money to buy imported commodities? Now Western businessmen have finally found that "the scenery is uniquely good here." As China's political situation is stable and its economic development is swift, investments in this region are worth strengthening. West German [as published] Chancellor Kohl pointed out that economic development in China, Japan, and other Asian countries "has global significance." The EC has also encouraged its members to invest in the East. Practice has proved that China has taken the correct road.

Economic progress has helped strengthen China's confidence and determination in moving toward the world. In late September, the descendants of Emperor Huang around the world showed their unparalleled coherent force in jointly supporting Beijing's Olympic Games bid. This was a patriotic scene of great momentum. Beijing did not succeed in the bid, but the 45-to-43 vote indicated a rapid increase in China's national strength and reputation. The Olympic Games have always been monopolized by advanced industrialized countries, and the hosts have mostly been Western cities. China appeared as a big favorite and was in the lead during the first three rounds. Considering the special factor that the distribution of votes was favorable to European industrialized countries and the United States, China's coming to the fore as a new force was inspiring, and

encouraged China's sons and daughters to establish lofty ideals, to persist in opening up, and to move toward the world.

A powerful and stable China is Hong Kong's backing. With the motherland's economic development, Hong Kong will become more prosperous and stable. A formula has taken shape for Hong Kong and the mainland to enjoy economic prosperity. Hong Kong compatriots will make further investments on the mainland, support its four modernizations, and increase their coherence with the motherland. Hong Kong will be returned to the motherland in three and a half years. It can be predicted that more Hong Kong people will act as masters of their own affairs and contribute their efforts to ensuring Hong Kong's steady transition, prosperity, and stability and to realizing the policy of "one country, two systems"; in the coming years, they will strengthen their love for the country, their love for Hong Kong, and their unity; and they will take an active part in Hong Kong's political and social affairs, powerfully support the work of the Preliminary Work Committee for the Preparatory Committee of the Special Administrative Region, and fight for the motherland's reunification.

An awakened and united nation has unlimited strength. The unprecedented unity of the descendants of Emperor Huang around the world and the powerful coherent force of the Chinese nation constitute a quite precious spiritual force. When proposing a toast at a National Day celebration, Zhou Nan, director of the Hong Kong branch of the XINHUA NEWS AGENCY, said: "We will continue to develop this kind of spiritual force and unite in our advance. No force in the world can obstruct China from entering the 21st century like a giant."

#### Feature Views 'Ethnic Conflicts' in South Xinjiang

HK0210074593 Hong Kong MING PAO in Chinese  
28 Sep 93 p a16

["Special feature" by staff reporter Zheng Hao (6774 3185): "Complicated Ethnic Issue in Xinjiang: Conflicts Happen From Time to Time in South Xinjiang"]

[Text] For many years, Xinjiang's minority nationalities continued to be the most sensitive issue facing the region. Recently, there have often been rumors about independent movements, riots, and killings of Han people; however, the official side did not report, confirm, or comment on such events. This made it more difficult for outsiders to know the real facts.

Wang Enmao, who was the top party and government leader in Xinjiang after 1949, was recently interviewed by MING PAO. He said that relations between the Han people and minority nationalities in Xinjiang are good. People of all nationalities support the motherland's unity and oppose any division. Enemies also exist inside and outside the country, although the number of enemies is small. He pointed out: Due to the special ethnic



composition of Xinjiang, ethnic separatist forces and separatists still exist at home and abroad, and "they are our enemies."

Seypidin Aze, former chairman of the autonomous region's government and current vice chairman of the National Committee of the Chinese People's Political Consultative Conference who is very highly regarded by the Xinjiang people, said that, in 1953, Chairman Mao Zedong told him and Wang Enmao: "The most important factor for ensuring nationality unity is the unity of the cadres." Therefore, the Central Government trained 250,000 minority nationality cadres for local administration and recruited 400,000 CPC members among the national minorities. Seypidin said: There are currently a large number of good-quality cadres, and this plays a positive role in guaranteeing Xinjiang's construction in all fields.

However, an active military officer told this reporter that the nationality issue in Xinjiang is now rather complicated. In particular, ethnic conflicts still occur from time to time in south Xinjiang. A Uygur riot occurred last May, and the rioters tried to claim independence and found their own state. Some Han people were killed in the riot. He said: "Han people are now afraid to enter this region." He also said that the local armed police force has cracked down on the extremist nationalists, but the regular armed forces were not involved in the suppression. "Not getting the armed forces involved in ethnic conflicts is an established policy. In principle, local ethnic disputes are to be solved only by local governments."

He also revealed that, when an ethnic riot broke out in 1964, about 50,000 people fled to the Soviet Union through the Korgas border pass. As the Soviet Union has been disbanded and the economic and political conditions are extremely unstable, many Uygur and Kazak people now want to return to Xinjiang. "However, this issue has not been solved yet, because people cannot cross the border and return to this side as freely as they like."

Another senior official of the Xinjiang regional party committee also admitted that riots had indeed occurred in south Xinjiang, but he strongly criticized some "groundless and untrue" reports circulating in the outside world. Things were "not that serious." He refused to discuss the details.

### **Jiang Zemin on Expediting Reform, Opening**

OW0410034293 Beijing XINHUA Domestic Service in Chinese 1055 GMT 3 Oct 93

[By reporter Niu Zhengshi (3662 2973 1709)]

[Text] Guangzhou, 3 Oct (XINHUA)—Speaking at an economic conference attended by representatives from 10 provinces (regions) in central south and southwest China, Jiang Zemin, general secretary of the CPC Central Committee and president of the state, stressed that,

to bring about sustained, fast, and sound national economic development, we must firmly follow the guidance provided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and by the party's basic line, waste no time in promoting reform and opening up, and expedite the establishment of a socialist market economic system.

Jiang Zemin chaired the economic conference which took place in Guangzhou 27-29 September. Present at the conference were Ding Guangen, member of the CPC Central Committee Political Bureau and Secretariat; Li Tieying, member of the CPC Central Committee Political Bureau and state councillor; Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the Guangdong provincial party committee; Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat; and Zhang Wannian, member of the Central Military Commission and chief of General Staff of the Chinese People's Liberation Army [PLA].

Once the conference was in session, responsible comrades from Henan, Hubei, Hunan, Guangxi, Hainan, Sichuan, Guizhou, Yunnan, Tibet, and Guangdong reported the progress they had made in implementing the Central Committee's major decision of deepening reform and strengthening macroeconomic regulation and control, and analyzed the current economic situation. Speaking their minds freely, they unanimously agreed that the measures which the Central Committee has taken to strengthen macroeconomic regulation and control are essential and correct. Facts show that, because of the positive roles these measures have played, preliminary success has been achieved, the outstanding economic problems have been resolved to a certain extent, and the national economy is developing healthily, creating good conditions for promoting reform and opening up in all fields.

After listening to those who took the floor, Jiang Zemin gave an important speech. He pointed out, first of all, that after the Central Committee promulgated the measures for deepening reform and strengthening macroeconomic regulation and control, all localities responded quickly by relaying and implementing them and preliminary results were soon achieved. He said: This has once again indicated that, as long as the Central Committee issues an order, all localities will act voluntarily and firmly subordinate themselves to the interests of the whole; and that, guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the CPC is strong and has a high degree of consensus. We can firmly believe that, under the party Central Committee's centralized leadership, all problems on the way ahead can be resolved and our reform, opening up, and economic development will be increasingly successful.

Jiang Zemin said: Seizing the opportunity to speed up development and pool our resources to boost economic construction is our unwavering policy. Comrade



Xiaoping has said time and again that "development is the last word." This is absolutely true. During the 1990's, which are crucial for China's socialist modernization, we must display the utmost sense of historical responsibility and strive to maintain relatively high economic growth. We cannot afford to have low growth because, if it happens, our economy will not develop and we will be in a passive state, subject to control by other people. All places which have the resources for achieving faster growth should do so, and places which cannot possibly have high growth for the time being should make positive efforts to gradually create the conditions necessary for achieving faster growth. All places should proceed from their actual situations. While we must have a sense of urgency and should not lose the opportunity for development, we should also respect objective laws, act according to our strength, and pay attention to dependability so as to avoid losses, especially major losses. Experience gained at home and abroad shows that, to achieve economic development, we should give full scope to the available productive capacity and tap potential through counting on scientific and technological advancement, restructuring the economic system, improving management, and striving to increase productivity, instead of simply counting on increasing investment, broadening the scale of projects, or starting new ones.

Jiang Zemin stressed: The basic way to deal with current and future economic problems lies in deepening reform and speeding up the establishment of a socialist market economic system. Establishing a new economic system is a gigantic social systems engineering project. We must intensify efforts to build the general framework, beginning with settling outstanding problems during development, achieving breakthroughs in major areas, devising supporting and coordinating measures, and proceeding gradually in an orderly manner. We should dare to act. Once a decision has been made, we should act with daring; and when we are not so sure, we should conduct experiments and pay attention to summing up experience. The central link in deepening reform is to restructure state-owned enterprises, especially the large and medium enterprises. State-owned enterprises must speed up the replacement of their operating mechanisms and implement the "Enterprise Law" and the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises." State-owned enterprises must actively explore effective ways to integrate public ownership with the market economy so that a modern enterprise system compatible with the requirements of a socialist market economy can be gradually established. Governments at all levels must earnestly change their functions, and they must respect the corporate status and autonomy of enterprises. We must continue to deepen rural reform so as to consolidate and strengthen the fundamental role of agriculture. We should actively cultivate and develop all types of markets; gradually establish an open, unified, competitive, and orderly market system; and we must strive to promote reform in the social security system and other

areas. To strengthen and improve macroeconomic regulation and control, we should, in due course, proceed with reforms in banking, finance, taxation, planning, and investment. These major, broadly involved reforms must be carried out in a planned and systematic manner under the leadership of the central authorities. We should persist in opening wider to the outside world and coastal, border, and riparian areas as well as key cities must continue to demonstrate their exemplary role in opening to the outside world so that multilayered and characteristically unique opening patterns can be established.

Jiang Zemin pointed out: To attain our goal of economic development, the nation must do its utmost to mobilize all positive factors and give full rein to initiatives in all quarters. While this is essential for speeding up development, it is a need based on historical experience. We can succeed in nothing without initiatives from various quarters and without the active support and involvement of the vast number of cadres and masses. To succeed in reform, we must give full scope to the initiatives of central and local authorities, the initiatives of coastal areas and inland areas, and the initiatives of the state, enterprises, and individuals so that we can liberate and develop productive forces. During the course of developing our socialist market economy, all quarters must properly approach their respective interests and support each other. When central and local authorities handle their relations, they must ensure that overall interests take precedence over local interests, but that consideration must also be given to local interests even though overall interests are emphasized. When launching reform of any kind, we must always pay attention to protecting and arousing the initiatives of the vast number of workers, peasants, intellectuals, and grass-roots cadres.

Jiang Zemin said: Differences in economic development are inevitable between regions. These differences must be fully understood and approached with a scientific attitude. While we must realize that such differences are historical, objective facts, and that their solution takes time and cannot possibly be accomplished overnight, we must also realize that these differences will eventually be reduced. To reduce the differences gradually and eventually achieve common prosperity, the examples set by those people and areas—which have already become affluent—should be used to guide and encourage other areas to work hard to develop their productive forces through the state's macroeconomic regulation and control. Socialism should create even higher productivity than capitalism can, and socialism should and can achieve social justice which capitalism cannot achieve. Our national economy is an integral whole, and in their economic development all regions must support and enhance each other so that they can improve together. Nobody can do without the support of others. To meet the needs of developing a socialist market economy, all regions will also compete with one another in the market, though the purpose of the competition is to achieve and

improve on common prosperity together. In short, all localities have broad and bright development prospects.

In conclusion, General Secretary Jiang Zemin pointed out: Since the tasks of reform and construction are arduous, the party must earnestly provide stronger leadership. Leading cadres at all levels—especially those at the provincial level—must earnestly study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, firmly adhere to the party's basic line, be able to handle the whole situation, and make decisions scientifically. We must fully understand the formidable complexity of reform, place even greater efforts on deepening reform, make plans carefully, organize meticulously, and sum up experience earnestly. We must go deep into the realities of life to conduct investigations and study so that we can discover problems and solve them in time. We must carry out material construction and promote socialist ethics at the same time, and we must be firm on both accounts. We must make constant efforts to intensify ideological and political work as well as socialist spiritual construction and legislative construction so as to safeguard social stability and expedite social progress in all fields. We must take the lead in following all regulations, governing honesty, and self-discipline and maintain close ties with the masses.

Present at the conference were principal responsible persons of the 10 provinces and regions, including Li Changchun, Ma Zhongchen, Guan Guangfu, Jia Zhijie, Wang Maolin, Chen Bangzhu, Zhu Senlin, Zhao Fulin, Cheng Kejie, Ruan Chongwu, Xie Shijie, Xiao Yang, Liu Fangren, Chen Shineng, Pu Chaozhu, He Zhiqiang, Chen Kuiyuan, and Raidi; as well as responsible persons of the CPC Central Committee and relevant State Council departments, including Zeng Qinghong, Chen Jinhua, Zeng Peiyan, Teng Wensheng, Yang Changji, and Xiang Huaicheng.

#### **Hu Jintao, Others Attend Personnel Exchange Meeting**

*OW0210185093 Beijing XINHUA Domestic Service in Chinese 0827 GMT 2 Oct 93*

[By reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 2 Oct (XINHUA)—Today, tens of thousands of job seekers came from various localities to the China International Exhibition Center to seek their ideal jobs. The first Personnel and Technical Exchange Meeting of the country's personnel market, which is sponsored by the Personnel Ministry, opened at the center today.

Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee; Lei Jieqiong and Li Peiyao, vice chairmen of the National People's Congress Standing Committee; and Sun Fuling, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the opening ceremony and visited stalls seeking specialized personnel.

Personnel Minister Song Defu spoke at the opening ceremony. He said: The personnel market is an organic part of the socialist market system. It points to the correct direction of reforming the personnel system to establish a specialized personnel regulation system that meets the demands of the socialist market economy by establishing a personnel market mechanism and refining it so that all specialized people can make full use of what they have learned. He said the current personnel exchange meeting was a beneficial exploration by the Personnel Ministry to boost the development of the country's personnel market, to serve the development of the market economy, and to serve specialized personnel and units seeking specialized personnel.

There were 942 stalls set up on the first and second floors of exhibition center's three major exhibition halls. These stalls were set up by various provinces, autonomous regions, municipalities, cities with provincial-level economic powers, and various ministries, commissions, and bureaus of the State Council. These units planned to employ more than 50,000 people specializing in various fields.

#### **Jiang Zemin, Qiao Shi Meet Cultural Representatives**

*OW0210145693 Beijing XINHUA in English 1447 GMT 2 Oct 93*

[Text] Beijing, October 2 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), and other top party officials met with over 50 representatives from the art, education, media and science circles here this evening.

Jiang, accompanied by members of the Standing Committee of the Political Bureau of the CPC Central Committee, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing and Hu Jintao, extended festive greetings to the representatives and had a cordial chat with them.

After the meeting Jiang Zemin and other leaders watched a performance given by Beijing artists.

The evening party was organized by the Central Committee of the Communist Party of China to celebrate the National Day and the traditional mid-autumn festival.

#### **Jiang, Li Peng, Qiao Shi Inscribe for Student Body**

*WA0110211693 Beijing XINHUA Domestic Service in Chinese 2105 GMT 30 Sep 93*

[Summary] Beijing, 30 Sep (XINHUA)—Jiang Zemin, Li Peng, and Qiao Shi wrote inscriptions to mark the 80th anniversary of the Western Returned Students' Association. "General Secretary Jiang Zemin's inscription reads: Study for the people and dedicate our wisdom and talent to the motherland."

"Premier Li Peng's inscription reads: Dedicate yourselves to serving the motherland and work to rejuvenate the Chinese nation."

"Chairman Qiao Shi's inscription reads: Make use of the strengths of all to serve the four modernizations; work hard together to add new vigor to the Chinese nation."

#### **Jiang, Li Lanqing Greet University on Anniversary**

*OW0210140893 Beijing XINHUA in English 1329 GMT 2 Oct 93*

[Text] Wuhan, October 2 (XINHUA)—A grand ceremony was held here today to mark the 90th anniversary of the founding of the Central China Normal University.

President Jiang Zemin, who is also general secretary of the Central Committee of the Communist Party of China (CPC), wrote an inscription to commemorate the event. The inscription reads: "To develop the cause of normal education and improve the cultural quality of the nation."

Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice-premier of the State Council, and Lei Jieqiong, vice-chairman of the Standing Committee of the National People's Congress, also wrote inscriptions for the occasion.

Li's inscription reads: "To develop the cause of education to improve the quality of the whole people." Lei's inscription reads: "Work industriously to train and bring up talents."

The Central China Normal University was formed by merger of the colleges of education under the Central China University, China University and Zhongyuan University.

#### **Li Peng Inscribes for Shenzhen University Anniversary**

*WA0110210893 Beijing XINHUA Domestic Service in Chinese 1003 GMT 27 Sep 93*

[Summary] Beijing, 27 Sep (XINHUA)—Premier Li Peng recently inscribed for the 10th anniversary of the founding of Shenzhen University. The inscription reads: "Celebrating the 10th founding anniversary of Shenzhen University and hoping the university is able to train even more qualified personnel for China's reform and opening up undertakings."

#### **Yang Shangkun, Yang Rudai Attend Chengdu Concert**

*HK0310071193 Beijing ZHONGGUO XINWEN SHE in Chinese 1400 GMT 1 Oct 93*

[By reporter Xiao Longlian (5618 7893 5114): "Yang Shangkun Watches 20th Century Chinese Classic Musical Performance in Chengdu"]

[Text] Chengdu, 1 Oct (ZHONGGUO XINWEN SHE)—On the evening of the Mid-Autumn Festival, after famous erhu player Min Huifen played the famous music "Er Quan Ying Yue" for a Chinese and foreign audience of more than 1,500, Yang Shangkun and Yang Rudai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, took the lead in warmly applauding the artist, who performed at a series of concerts of 20th century classic Chinese music.

After her performance, Min Huifen presented an exquisite erhu to Xiao Yang, Sichuan governor and vice chairman of the Society for Promoting Chinese National Culture, because Xiao sponsored and organized the performances. She expressed the hope that the governor would play erhu more frequently in his spare time. Min Huifen also invited Xiao Yang to play a piece of music together.

Xiao Yang stepped onto the stage and received the musical instrument. He expressed gratitude to Min Huifen for her encouragement to him, an amateur erhu player. He said that he originally wanted to play music together with the artist in order to add to the fun, but he had just returned from Chongqing and had had no time to practice and rehearse. He turned to the audience and said that he could issue only an IOU to them. Yang Shangkun, who was all smiles, once again took the lead in applauding the witty remarks and the friendship between the provincial governor and the artist.

Yang Shangkun came to Chengdu in late September. He particularly came to visit his teacher, Zhang Xiushu, vice chairman of the Sichuan Provincial People's Congress Standing Committee, and extended congratulations to Zhang on his 100th birthday. Yang Shangkun also visited Chengdu's panda farm and viewed the living conditions and reproduction of pandas.

After the performances ended, Yang Shangkun stepped onto the stage with vigorous strides and shook hands with famous artists Liu Shikun and Yan Liangkun, and had a group photo taken to mark the occasion.

The 20th century classic Chinese music concert series began last night in Chengdu's Art Palace, and will conclude on 4 October.

#### **Wan Li Inspects Beijing Highways, Comments**

*WA0110204093 Beijing XINHUA Domestic Service in Chinese 1145 GMT 13 Sep 93*

[Summary] Beijing, 13 Sep (XINHUA)—Comrade Wan Li inspected the Eastern Third Ring Road and an airport expressway in Beijing on 13 September. He was accompanied by Zhang Baifa, executive vice mayor of Beijing Municipality. Alighting from his car at a flyover on the Eastern Third Ring Road, "Wan Li cheerfully said to municipal workers who were cleaning and sweeping the flyover: 'You have all been working hard. Please extend my regards to all workers and staff members. You have



performed exceptionally meritorious service for the infrastructure construction undertaken by the municipal administration in our capital." Later, standing on the Dabeyao Flyover, "Wan Li said: 'Beijing has changed so fast that even an old Beijing hand like myself cannot recognize it.'"

### Economic & Agricultural

#### Local Governments 'Ordered' To Hand Over Land Sale Revenues

HK0410044293 Hong Kong THE STANDARD in English 4 Oct 93 p 6

[Report by Cary Huang]

[Text] Beijing has ordered local governments to hand over all income from land sales to the state coffers in a move to crack down on rampant official corruption and land speculation. The order follows an investigation by several central government ministries which discovered that most of the income from land sales last year was diverted by local officials to other uses.

In a circular to local governments throughout the country, China's State Council said all money from land sales must be returned to the state coffers and used for the sole purpose of urban development. The circular, including proposals submitted by the Finance and Urban Construction Ministries and the State Administration on Land, stipulated that all land sales in Chinese cities should be conducted openly via auctions and public bidding. The new stipulation replaced the contracted deal between government departments and land developers or speculators and was a major move to combat official corruption and speculation in the lucrative land business, Chinese economists said.

The central government requires that local governments guarantee that all income from land sales be channelled into the state coffers, with five per cent paid to the central government and the rest reserved in a land development fund administered by local fiscal authorities. The central government's circular quoted the investigation team as saying that in 1992 up to 98 per cent of income from land sales was diverted away from the state fiscal system for other uses. The investigation showed that last year only some one billion yuan (HK\$1.3 billion) out of more than 52 billion yuan estimated income from land sales was returned to the state treasury, accounting for less than two per cent of the total. It was apparent that most of the land income was pumped out and diverted by the local departments in question for other uses, the investigation found.

The central government believes many local governments used income from land sales to invest in manufacturing and other more lucrative sectors rather than in infrastructures which lag far behind the economic development. The circular said that no government officials or departments had the right to divert funds for other

uses and that they should be seriously punished for violations. "All the income should be kept for urban restructuring, land development, urban infrastructures, like water supply, road, transport and communications construction, environmental protection and forestry projects," the circular said. The central government also ordered local authorities to recall billions of yuan in land income diverted away from state coffers before the end of this year.

#### Shanxi Exempted From Central Strictures on Credit

HK0410043693 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 7

[Report by staff reporter Liu Weiling: "Shanxi To Issue \$85M in Bonds and Credit"]

[Text] Taiyuan—Although many Chinese provinces are cutting back on credit as a result of the central government's measures to restore financial order, North China's Shanxi Province is not one of them.

The province is grabbing the opportunity to seek an economic resurgence and widen its international cooperation.

Zhang Weiqing, vice-governor of the province, said the provincial government has authorized an increase in credit of 500 million yuan (\$85 million) in the latter half of this year.

Meanwhile, although China has slashed its overall plan to issue corporate bonds, it has allowed Shanxi to issue 500 million yuan (\$85 million) worth of the money-raising bills.

Why is the province allowed to do what other provinces are not? "It's because Shanxi's development strategy, which is mainly focused on construction of water, coal, power and transportation projects, conforms well with the country's overall development goals," Zhang said.

Unlike many other provinces, Shanxi has invested less on real estate and securities in recent years, he said.

Instead, a large amount of money has been poured into infrastructure construction projects, such as power stations, water diversion works, railways, airport, expressways and telecommunications.

"These projects will help Shanxi improve its investment environment and make the land-locked province more attractive to foreign investors," Zhang said.

He said Shanxi, the country's most important energy base, is becoming an emerging magnet for foreign investment especially as they are shifting their interest to China's inland areas.

The rich mineral resources, sufficient energy supply and cheap labour are advantages which can help the province steal some limelight from coastal areas, Zhang said.



Shanxi boasts rich mineral resources, especially its 200-billion ton coal reserve. Its coal production accounts for one fourth of the country's total volume and it has been China's biggest energy supplier since 1988.

Meanwhile, the province has set up special funds to develop projects in water, coal and power.

Zhang said the province, which has been isolated from the outside world for decades, is making new efforts to break the ice.

This year, it has held symposiums in Seoul, Hong Kong and Xiamen to drum up investment. It was at these symposiums that many overseas investors learned about Shanxi for the first time, he said.

"Foreign companies showed a strong interest in Shanxi, especially its power and transportation projects, as soon as they found out about Shanxi's energy superiority," he said.

Zhang said the province also plans to send delegations to Canada, the United States and France next year to advertise the province's advantages.

"We will put forward big projects such as power stations, airports, railways and expressways. Our targets are international big-name companies," he said.

### **Restructuring Commission Official on Money Shortage**

HK0410031093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 pp 1, 2

[Report by staff reporter By Wang Ya: "State To Solve Money Shortage"]

[Text] Central authorities are urging banks throughout the country to guarantee the funds essential to the production of State enterprises—especially that of the key projects—during the process of macro economic control.

The move is meant to address the money shortage which has been haunting enterprises, according to an official of the State Commission for Economic Restructuring.

Jia Heting, a deputy department chief of the commission, says the macrocontrols, embraced by the central government in June to restore financial order, has produced some positive effects.

Illegal inter-bank lending, rampant fund raising and an overheated real estate sector have been brought under control.

Individual deposits in banks have surged again and the exchange rate has stabilized.

The latest figures show that recalled inter-bank lending amounted to 72.7 billion yuan (\$12.5 billion), or one-third of the total inter-bank lending, by August.

China's banks saw an increase of 36.2 billion yuan (\$6.2 billion) in individual deposits in August alone which was 25.5 billion yuan (\$4.4 billion) more than a year before.

Moreover, the nation's spending on fixed assets in August dropped 10.4 per cent from July.

But Jia says the continuing money shortage problem has not been tackled.

And the excessive capital construction has yet to be further curbed.

Debt repayment problems between enterprises also loom large.

He says it's been difficult to recoup all the money lost in inter-bank lending in the past months.

"The bulk of the money withdrawn from circulation by the banks has come from large and medium State-run enterprises, which deposit part of their sales income to the banks," he explains.

This has stifled the development of these enterprises.

The problem is that the enterprises cannot obtain a steady supply of credit.

Take the Dongfeng Automotive Corporation for example. It produced more than 100,000 cars from January to July with an output value of 6.6 billion yuan (\$1.13 billion)—an all time high.

But production has been hampered since the third quarter by insufficient operating funds and a sluggish auto market at home.

"Many enterprises have seen their debt balloon.

"And triangle debts between enterprises has surfaced again with a vengeance," Jia points out.

But he believes the funds for key projects will be channeled to the proper destination, not diverted to real estate and other speculative investment.

China now has some 13,000 large and medium State enterprises with independent accounting systems.

This makes up roughly 2.6 per cent of the country's industrial enterprises.

But they represent 36 per cent of the annual industrial output of enterprises above the county level.

"The money shortage has made it difficult for China to reform its enterprises in a market-oriented way," Jia says.

But a positive element is that China will pick up the pace of its financial and taxation reforms next year, he adds.

"Our eventual goal (of enterprise reform) is to delegate autonomy in assets disposal to the enterprises and clarify the responsibilities that accompany their independence," he says.

Jia says the success of the enterprise reform still hinges upon three points.

First, the government must transform its functions so it can regulate enterprises indirectly, for example by using legal means.

Secondly, China must cultivate a mature market system.

Lastly, China must develop a sound social insurance system.

### **Bank of China Channels Loans to 'Priority Sectors'**

HK0410043293 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 3

[Report by staff reporter Shi Wei: "Loans Channelled to Priority Sectors"]

[Text] China's financial situation, which not long ago was the bane of government officials and bankers, has improved in recent months, signalling an initial triumph for the country's on-going measures to strengthen macro-economic control.

During the past three months, the country has successfully slowed down the issuing of currency, said Dai Xianglong, vice-governor of the People's Bank of China.

From July 1 to September 22, 28 billion yuan (\$4.9 billion) less in currency was issued compared with the same period last year, he said.

Meanwhile, the country has apparently made progress in recalling inter-banking lending that violates State regulations.

From June to August, outstanding inter-bank lending dipped by 76.2 billion yuan (\$13.4 billion).

Thanks to the recall and rising bank savings, Dai said, more capital has flowed to top-priority economic sectors.

During July and August, the People's Bank of China has offered more loans to specialized banks, which has eased their capital shortage.

During these two months, State banks supplied 47 billion yuan (\$8.24 billion) in loans to borrowers. In August alone, loans from State banks hit 31.2 billion yuan (\$5.47 billion), 2.2 billion yuan (\$385.9 million) more than the same period last year.

These loans have gone to key construction projects in the transportation, energy, telecommunication and raw material industries.

Thanks to these loans, the capital shortage in the country's key enterprises has been eased.

But Dai said there still exists a capital shortage at present as a result of over-expansion of fixed assets investment and production and the chaotic financial order earlier this year.

The way to solve this problem is to further strengthen macro-economic controls and to increase capital resources in State banks.

Meanwhile, the central bank's loans to State banks will be increased to ensure steady economic development.

### **Central Official Discusses Financial Issues**

HK0410024293 Hong Kong CHING CHI TAO PAO in Chinese No 35, 20 Sep 93 p 23

[Article from "China Economic News" column: "State Council Leader on Current Financial Issue"]

[Text] A leading cadre from the State Council recently made a speech on some of the current financial issues as follows:

1. Owing to the increase in commodity prices, the actual bank interest rates have become negative, so that the appeal of deposits has been further weakened and the contradiction of capital demands has been aggravated. The effect of raising interest rates to restrain credit is not evident, but it is imperative to absorb more deposits.

2. The practice of "raising funds by the entire people" at high interest rates, which prevails at present, reflects the aspirations of China's central and western regions (including the underdeveloped areas in the coastal provinces) to accelerate the development of their local economies. It is also a countermeasure to prevent local funds from flowing to the coastal areas in large amounts. If the practice is allowed to grow unchecked, however, it will result in malfunctioning funds turnover and runaway investment.

3. Some enterprises pushed their internal "stocks" onto the market, which is primarily due to the leading cadres' eagerness to raise funds in some localities. They did not make experiments in selected units according to the State Council's stipulations and standardized procedures. Conversely, they spread out the practice randomly, as they were overanxious for quick results.

4. Various specialized banks strictly controlled money supply so as to retain sufficient funds as provision for payments and to hand over sufficient funds as reserves. It is necessary to strictly prohibit banks and nonfinancial institutions from using credit funds for speculation in properties, stocks, and futures. At present, banks in all localities should guarantee adequate funds for purchasing agricultural products, as well as for financing key construction projects, including railroads and others.

**Relaxed Renminbi Exchange Policy Advocated***HK0410043093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 3*

[Report by staff reporter Liu Weiling: "China Assesses Its RMB Policy"]

[Text] Seven months after controls were loosened on bringing renminbi [RMB] out of the mainland, Chinese officials and experts are still keeping a sharp eye on the impact the move is having on the country's economy.

Most experts agree the policy to allow people to take up to 6,000 yuan (\$1,034) out of the country is an inevitable step in China's reform and opening up policy.

Tao Liming, vice-director of the Bank of China's Institute of International Finance, said China should uphold the policy and even open the door wider—allowing more renminbi out—when the time is ripe.

"The increasingly closer links between the mainland and Hong Kong and Macao will no doubt bring about the outflow of renminbi and the inflow of Hong Kong dollars. Hong Kong businessmen need renminbi when conducting business on the mainland—to run factories, to pay workers and to buy materials," he said.

More importantly, the move shows the mainland government's confidence in its own currency, Tao said.

However, some experts said the large outflow of renminbi to Hong Kong has created a booming swap market in Hong Kong, where the ups and downs of the renminbi rate has added some fuel to the fluctuation in the domestic market.

Hong Kong banks' estimate that the volume of renminbi flowing to Hong Kong is about 2 billion yuan (\$340 million) every month.

Swap markets exchanging Hong Kong dollars and renminbi emerged in Hong Kong in the 1970s to serve businessmen doing business in mainland.

After China officially allowed people to take renminbi across the border, many Hong Kong banks and financial organizations opened exchange businesses and a lot of Hong Kong shops also began to accept renminbi.

Since the renminbi foreign exchange rate in Hong Kong is always a little bit lower than that on the mainland, the Hong Kong price imposed an psychological impact on the mainland's swap market when it was fluctuating drastically during the first half of this year.

But Tao said that factor has disappeared with the stabilization of the renminbi.

Meanwhile, some experts say the new policy means fewer Hong Kong dollars are flowing into the mainland because people change their money on the local swap markets where they can get a better exchange rate.

But Tao argued the volume of such foreign exchange business is not large and this problem should be resolved by further reform of the mainland's management of foreign exchange.

He said the new policy is important if China is to open wider to the outside world.

However, when China began to allow residents to take up to 6,000 yuan (\$1,034) out of the mainland in March, its original goal was to meet the demands of the surging border trade.

Renminbi became a "hard currency" in border trade due to China's stronger economic growth compared with bordering countries.

The prosperous border trade in recent years has made the renminbi a favorite of people in countries such as Vietnam, Burma and Russia, Tao said.

However, Tao said the renminbi's strong position in border trade isn't an indication that China is moving closer to making the renminbi an internationally convertible currency.

**Bank Circular Bans Use of Counterfeit Banknote Detector***OW0110213393 Shanghai People's Radio Network in Mandarin 1000 GMT 26 Sep 93*

[From the "News and Weather" program]

[Text] The People's Bank of China recently issued a circular urging banks and other financial institutions at all levels not to use the counterfeit banknote detecting pen, or a similar device, to distinguish between genuine and fake renminbi, and not to recommend its use to society.

Currently, a counterfeit banknote detecting pen, also known as an electronic detecting pen, which has been claimed to be able to distinguish between real and fake banknotes with one stroke, is available on the market. Actually, this detecting pen is unable to distinguish between real and fake banknotes and is somewhat deceptive.

The renminbi, as China's legal tender, is a symbol of state sovereignty. On several occasions, the state has explicitly stipulated that scribbling or writing figures on the renminbi is prohibited. The use of a detecting pen on banknote will leave unsightly marks and will lower its reputation. Besides, the testing solution will also deteriorate the banknotes.

**Academic Puts Forward New Tax Reform Concept***HK0210023793 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0928 GMT 15 Sep 93*

[Text] Beijing, 15 Sep (ZHONGGUO TONGXUN SHE)—Professor Liu Longheng, vice president of the Beijing Economic Law Research Institute, recently drew

up a tentative plan on China's tax reform. According to his plan, the categories of taxes following the implementation of China's tax reform should be reduced from 38 to 20 or so.

Professor Liu's plan was devised according to state policies and social consensus. There are four concrete parts:

1. Highlighting the circulation tax [liu zhuan shui 3177 6567 4451], that is, augmenting levies in the fields of production and circulation. Efforts should be made to widen the scope of levying value-added tax, to simplify the tax rate, and to establish a new pattern of circulation tax which includes the value-added tax, product tax, and sales tax and which implements a two-layer readjustment with emphasis on the value-added tax. Moreover, the land value-added tax and securities transaction tax should be set up to further augment levies in the field of circulation. Meanwhile, efforts should be made in due course to abolish, through legal procedures, the consolidated industrial and commercial tax the currently is levied on foreign-invested enterprises, and to levy the domestic circulation tax instead.

2. Integrating income taxes. There are five kinds of income taxes currently in force in China which are levied in light of different economic natures. As far as this situation is concerned, the burden of taxation is unfair, and owing to this kind of unequal tax stipulations, the development and competitive power of state-owned enterprises is being inhibited. This must be changed as soon as possible through the integration of income taxes. That is, efforts should be made to abolish the readjustment tax levied on large and medium-sized state-owned enterprises, merge the state-owned enterprise income tax, collective enterprise income tax, and private enterprise income tax into the domestically invested enterprise income tax, and to implement a unified proportional tax rate at 33 percent. At present, the joint-stock transformation or separation of taxes and profits which is being implemented in state-owned enterprises on an experimental basis, also includes the settlement of the problem by which enterprises are overburdened with taxation. Similarly, efforts should be made in due course to implement, through legal procedures, the integrated income tax for both domestically invested and foreign enterprises.

3. Widening the scope of the resources tax and property tax. The resources tax levy was started in 1984, and its scope will be widened to cover land, marine, water, and forest resources, and so on. This levy is favorable to fair market competition and helps increase the financial revenue of the state. Moreover, efforts should be made to amalgamate and retain the existing real estate tax and the car and ship utilization tax, as well as to start the new levy of inheritance tax and gift tax [zeng yu shui 6362 0056 4451].

4. Rectifying and perfecting the objective-behavior tax [mu di xing wei shui 4158 4104 5887 3634 4451],

abolishing the special tax on oil consumption [shao you te bie shui 3599 3111 3676 0446 4451], and abolishing three kinds of money award taxes or merging them into enterprises' and institutions' wage readjustment tax. In addition, efforts should be made either to abolish the fair trade tax, livestock trade tax, and animal slaughter tax, or to merge them into the sales tax.

Liu Longheng said: These reforms originally were planned to be completed in five years or so. Now, an earlier fulfillment is expected and the reform will be accomplished within two to three years.

### **MOFTEC Academic Warns of 'Looming' Trade Deficit**

HK0410030493 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 1

[Report by Xiao Wang: "Trade Deficit Looming"]

[Text] China is facing an uphill battle in its attempt to tame the country's ballooning trade deficit, which has persisted over the past eight months.

The remaining four months will be an acid test as China scrambles to avert its first full-year foreign trade deficit since 1989, says Wang Huaian, professor at the International Trade Research Institute of the Ministry of Foreign Trade and Economic Co-operation (Moftec).

China's foreign trade had a deficit of \$5.73 billion through August, with imports soaring 27.3 per cent to \$68.14 billion and exports climbing only 4 per cent to \$52.41 billion.

"It will be difficult to repeat last year's trade surplus of more than \$4 billion," the trade expert predicts.

"It will be good enough if we see a virtual balance of trade by the end of this year," he says in an interview with BUSINESS WEEKLY.

The government has so far vowed to bring its disheartening trade in line by year-end, but the deficit continues to snowball.

The government moved to rein in credit in July with hopes of harnessing speculative investment that has fueled inflation.

"But it was hard to withdraw investment in projects that were already underway," Wang points out.

And some new projects crucial to the national economy had to be approved—and this sustained a high import momentum.

He says most of the capital recalled was from non-production sectors like real estate, which affected imports to a lesser extent.

"Despite the capped money supply since June, the government has yet to channel enough funds for the purchase of export items," he says.



In the past, a lot of funds to support exports were diverted to such hot areas as real estate.

Still, the brisk domestic market, which has lured China's foreign trade companies from exports to domestic sales because of bigger profit margins, has not cooled down despite contraction in a few sectors, like construction.

Wang points out that foreign-invested retail shops in China are another catalyst for import growth, since most Chinese favour imported consumer goods.

"In a word, the effect of the government's macro economic measures has yet to be fully felt," he explains.

"And the government-induced stabilization of the foreign exchange rate on the swap market has failed to produce a corresponding psychological effect on ordinary people or enterprises," he says.

"In most cases, people and enterprises are still on the sidelines for fear of possible changes in the rate now set at \$1 to 8.8 renminbi."

In another word, the fear of high export costs brought by the devaluation of the renminbi still lingers.

Wang further notes that domestic prices have shot even higher since the macro economic measures were put in place.

"However, the macro controls have the potential to do a lot of good in the next four months, and things might get better," he says.

As the credit-tightening policy takes effect, the government will guarantee that the fund shortage for exports will be eased, he predicts.

Moreover, imports will slow down as speculative investment is controlled, he predicts.

Wang says the government will take new measures to ensure that the deficit tapers off, but he does not elaborate.

### SEZ Office Official Says Reforms Not To Harm Investment

HK0410031293 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 1

[Report by Xiao Yong: "Reforms Won't Hurt Investment: Official"]

[Text] China's latest bid to harness its financial orders will be conducive to long-term overseas investment in China, a senior Chinese official says.

His remarks should dispel fears that the current macro-economic measures might lead to an overall contraction of the economy.

"It's not retrenchment, it's a move to channel money to key projects," says Ji Jusheng, a deputy director of the Office for Special Economic Zones [SEZ] under the State Council, China's cabinet.

He says the domestic supply of RMB [renminbi] and foreign exchange will not be reduced as a result of the economic retooling.

On the contrary, "the supply (of money) will grow considerably from last year's level," he says.

"The once-rampant money supply has been capped, but it has not slipped back," he explained.

It is the investment in real estate and stock trading that has been controlled.

Ji adds a stabilized exchange rate for the RMB will enable overseas investors in China to better balance their foreign exchange.

The economic retooling, aimed to correct financial and market order has steered lots of money from speculative projects in the coastal areas to the inland regions struck by fund shortages, Ji points out.

"It serves to narrow the gap between the coastal and inland regions in absorbing overseas investment," he explains.

So far, the bulk of such investment has ended up in coastal areas.

More investment in inland regions will help tap China's abundant natural resources, analysts say.

Overseas investment in China will maintain its momentum through 1993, Ji predicts, ruling out the emergence of major economic problems, like runaway inflation, in the near future.

And despite China's failure to win its bid to host the 2000 Olympic Games, the heady momentum will not be reversed, he says confidently.

In fact, the Chinese market has become more appealing to overseas investors as a result of the bid as more of them have come to realize the security and profitability of doing business in China.

Ji says a lot of international big names are prepared to expand their investment in China.

The macro economic controls has tempered domestic prices for certain construction materials, like steel, which is conducive to overseas investment, he says.

Also, the anti-corruption drive and the crack down on rampant fund raising, which has even affected overseas-funded ventures in China, will be all to the good.

Ji says China will convene a national conference on the use of overseas investment around the end this year.

The conference is expected to focus on ways to improve China's laws and regulations concerning overseas investment, he says.

"We'll create a fair and orderly investment environment for overseas and domestic business alike, he says.

### **Private, Foreign-Owned Firms Continue 'Growth Momentum'**

HK0310072093 Beijing RENMIN RIBAO in Chinese  
24 Sep 93 p 2

[Dispatch by reporter Pan Gang (3382 1511): "Privately Owned and Foreign-Funded Business Develop Rapidly in First Half of Year"]

[Text] Beijing, 23 Sep (RENMIN RIBAO)—According to the State Administration for Industry and Commerce, privately owned enterprises across the land developed rapidly and foreign-funded enterprises maintained their growth momentum in the first half of this year. By late June, 184,000 privately owned enterprises had been set up throughout China, hiring 2.941 million workers, up 66 and 57 percent, respectively, over the same period last year. Their registered capital, realized output value, and turnover increased 225, 84, and 116 percent respectively over the corresponding figures for the same period last year. In the first six months of this year, more than 44,000 foreign-funded enterprises were registered with the administrations for industry and commerce in various localities, up 200 percent over the same period last year, and their total investment and registered capital, respectively, were 4.48 and 3.73 times those of the same period last year.

Statistics show that in the first half of this year, no province, autonomous region, or municipality has seen for the first time a drop or zero growth in the production of privately owned enterprises. In this period, the scale of privately owned enterprises greatly expanded and their economic efficiency greatly improved. In the meantime, their per-enterprise [hu jun 2073 6874] capital increased by 95 percent over the same period last year.

- While increasing the amount of investment, foreign-funded enterprises also expanded their investment domains. Apart from industrial enterprises, which have grown the most rapidly, the tertiary industry also has developed rapidly, especially the real estate and building industries. The numbers of newly registered real estate and building enterprises increased by 11.16- and 14.74-fold, respectively, over the same period last year. Again, inland provinces stepped up efforts to attract foreign investment. The number of foreign-funded enterprises in inland provinces has gone up at a high rate, though there are still fewer such enterprises there than in coastal areas. In Qinghai, Shanxi, Guizhou, Gansu, Hainan, and Xinjiang, the number of foreign-funded enterprises registered in the first half of this year increased by 100 percent over the total registered during the previous years until late last year.

### **Free Markets Account for 90 Percent of Retail Sales**

HK0410043893 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 8

[Report by staff reporter Xiao Wu: "Free Markets Account For 90 Percent of All Sales"]

[Text] In conjunction with the development of a market-oriented economy, the government has loosened its sales monopoly on 760 kinds of products on the domestic market.

The State Statistics Bureau revealed that at least 90 per cent of the current annual retail sales are made at the country's free markets, representing a sharp increase of 67.2 per cent from 1979, when the government started to take steps to end its long term centrally-planning economic system.

The Chinese Government believes this is a key step in its opening drive and one that is necessary for resumption of China's membership in the General Agreement on Tariffs and Trade (GATT).

To improve the fledgling market-oriented economy, the government has made efforts to build a nationwide sales network where wholesale and futures trading play the lead role.

By the end of last year, the country had more than 79,000 material-trading markets, in which computerized systems and other necessary facilities are being built to bring trading activities up to relevant international standards.

China has also introduced foreign investment and the latest management know-how to improve the country's commercial network.

So far, more than 2,000 foreign companies have signed agreements with their Chinese partners, setting up joint ventures to handle sales and marketing businesses on the domestic market.

An advanced administrative system for market-oriented commercial activities has already taken shape, as there were more than 10.62 million commercial outlets at different levels across the country last year, with a work force of nearly 32 million people.

The figures represented a four-fold increase compared with 1957.

The bureau noted that foodstuffs and garments have turned out to be the most popular items.

Last year, the retail sales of various foodstuffs reached 537.65 billion yuan (\$92.7 billion), with an average annual growth rate of 16 per cent over the past 14 years.

Meanwhile, more than 158.2 billion yuan (\$27.3 billion) worth garments were sold on the domestic market in 1992, representing an average increase of 13.3 per cent since 1978.

### State Economic Committee Discusses Fake, Shoddy Goods

HK0210061493 Beijing ZHONGGUO XINWEN SHE in Chinese 1323 GMT 14 Sep 93

[By reporter Xiao Rui (5618 3843)]

[Text] Beijing, 14 Sep (ZHONGGUO XINWEN SHE)—At today's teleconference on "the drive against fake and shoddy goods," Yang Changji, vice chairman of the State Economic and Trade Committee, said: China's "drive against fake and shoddy goods" over the past year has proceeded quickly, has had great effect, has won popular support, and has made gradual achievements. Ten major cases have been handled and concluded. Over 4,000 individuals charged with selling fake and shoddy goods have been handed over to judicial organs, and approximately 500 others have been sentenced, of whom four have been sentenced to death and five to life imprisonment.

Yang Changji said: On 20 July last year, China called the first teleconference on the "drive against fake and shoddy goods." Under the unified planning of the State Council, one million people throughout the country have joined in the "drive against fake and shoddy goods." With one year of efforts, they have obtained great achievements, which are primarily demonstrated by the following:

Large quantities of fake and shoddy goods have been found and destroyed, which primarily concentrated on 300 varieties in 30 categories, including medicine, medical equipment, tobacco, liquor, foodstuffs, feed, auto parts, electrical machinery, chemical fertilizers, pesticides, seeds, farm machinery, clothing, shoes, hats, cosmetics, and household electrical appliances. They totaled approximately 30 million pieces, of which 26 million have been destroyed.

A large number of dens and distribution centers which manufactured and sold fake and shoddy goods have been overhauled or shut down. Inspection teams of over one million people have been organized throughout China. They have overhauled 1.35 million industrial and commercial enterprises and open markets and have imposed fines of nearly 200 million yuan on those industrial and commercial enterprises and individuals that had manufactured and distributed fake and shoddy goods. The number of such distribution centers overhauled and dens that manufactured and sold fake and shoddy goods shut down totaled 12,600. In the last six months, industry and commerce administration departments across China have shut down 3,081 such dens and distribution centers.

He added: Generally speaking, despite our consistent efforts, we have not been able to radically stem the growth of fake and shoddy goods. In some places, they tend to grow and spread. In other places, illegal activities related to the manufacture and sale of fake and shoddy goods are still rampant. The task of "fighting fake and shoddy goods" is still very heavy and the "drive against fake and shoddy goods" must continuously be deepened.

### Border Nationality Regions Open Wider to Outside

HK0210023893 Beijing XINHUA Domestic Service in Chinese 2111 GMT 25 Sep 93

[By reporters Tian Hengjiang (3944 1854 3068) and Fan Yingli (2868 5391 0448): "Border Nationality Regions Take Road of Opening up"]

[Text] Urumqi, 26 September (XINHUA)—One after another in recent years, the northern, northwestern, and southwestern regions of China have implemented a strategy of comprehensively opening up to the outside world. Thus the enormously vast border regions have become a forward position of opening up to the outside world.

Currently, on the 22,000-km-long interior border, 64 state-, provincial-, and prefectural-level ports, and 150-odd border people's transit goods swap [hu shi guo huo 0062 1579 6665 6303] passages have been opened to the outside world in succession.

In light of their own conditions, characteristics, and targets, border nationality provinces and autonomous regions have set their own strategies for opening up to the outside world, thus developing a general strong point of jointly opening up to the outside world, with each making up for the other's deficiencies, and becoming part of the large-scale economic circulatory system.

Border nationality provinces and autonomous regions have attached great importance to the construction of communications, energy, telecommunications, port, and other infrastructures. With the support of the state, border provinces and autonomous regions have successively built or rebuilt a large number of railways, roads, aeronautical engineering facilities, and optical-fiber cables, with their supporting water, electricity, and heating projects. At the same time, they have accelerated the pace of constructing market, financial, information, and other service institutions and port facilities.

In the northwest, after the opening to traffic of the Second Asian and European Continental Bridge, which extends from Jiangsu's Lianyungang, in the east, to Rotterdam in the west via Xinjiang's Alataw Pass, the construction of a large-scale, multiple-track project of the Lanzhou-Xinjiang Railway was begun last year. By the end of the Eighth Five-Year Plan, the southwestern region is expected to have had an additional 3,000 km or so of railways, and the strained carrying capacity that has been arresting the drive to open up to the outside world



will have been alleviated. At the same time, Xinjiang will invest in rebuilding the Urumqi airport so that it will become a large and modern international airport.

In the southwest, following last year's completion of the project to rebuild the Tibet section of the China-Nepal Road, the Naqu-Changdu Road, which is located on the "Golden Travel Hot Line"; the construction of the entire frozen-earth removal project of the Qinghai-Tibet Road; and the project to rebuild the Sichuan-Tibet Road have begun in an overall way. Sichuan, Yunnan, Guizhou, and Guangxi are concentrating human, material, and financial resources on jointly building a major international thoroughfare linking Beibu Wan to southeast and south Asia.

To enhance the staying power for the opening up to surrounding countries, border nationality regions are working hard, with the help of coastal areas, to develop export-processing industries, high-tech industries, agriculture, animal husbandry, and town and township industries. The Erlian-Jining area in Inner Mongolia, the Ili area in Xinjiang, the Bulan-Dalong area in Tibet, and the Beihai-Qinzhou-Fangcheng area in Guangxi have set up export-oriented economic development experimental zones, one after another. A number of new export-processing zones are on the rise in Hulun Buir League and the Huhehot-Baotou area in Inner Mongolia, the Shihezi-Kuitun and Urumqi areas in Xinjiang, the Kunming area in Yunnan, and the Nanning area in Guangxi.

### Minority Areas' 'Strong Economic' Momentum Continues

OW0410101493 Beijing XINHUA Domestic Service in Chinese 0051 GMT 1 Oct 93

[By reporters Jia Fenyong (6328 1164 0516) and Wang Yongping (3769 3057 1627)]

[Text] Beijing, 1 Oct (XINHUA)—According to relevant sources, the eight minority provinces and regions have been able to maintain their strong economic development momentum since the beginning of the year, thanks to greater efforts in carrying out reform. According to preliminary statistics, the GNP of these eight provinces and regions in the first half of this year reached 108.77 billion yuan, a 12.4-percent increase over the same period last year.

Inner Mongolia, Xinjiang, Tibet, Guangxi, and Ningxia, the five autonomous regions, and Yunnan, Guizhou, and Qinghai Provinces are geographically remote. Conditions there are poor and their economic development has always been relatively slow. Since reform and opening up, the economy of these regions and provinces has gradually moved onto a sound development phase. In the past two years, the economic development momentum of the eight minority provinces and regions has become increasingly faster and stronger following deepening reform and the opening up of remote regions. In the first half of this year, agricultural and animal

husbandry developed steadily; industrial output maintained its growth at a faster rate; fixed asset investment, consumption needs, markets, and import and export trade volume grew by fairly large margins; residents' incomes increased noticeably; and the development momentum was good.

In the first half of this year, the eight provinces and regions generally had very good agricultural production and a fairly good level of summer grain output. Yunnan Province's summer grain output was a record 2,112,400 tonnes. It is expected that this year the total grain output of the eight provinces and regions may reach 54.65 million tonnes, an increase of 830,000 tonnes over that of last year's output. The agriculture and animal husbandry of the eight provinces and regions are expected to grow steadily and increase their output greatly. In recent years, the growth of agricultural production and animal husbandry has been generally higher than that of the national average, a great characteristic of economic development in the minority regions.

Compared to agriculture and animal husbandry, the industrial growth of the eight provinces and regions is even faster. From January to June, the total output value of industrial enterprises operated by townships or larger administrative areas in the eight provinces and regions reached 102.95 billion yuan, up 13.3 percent over that of the same period last year. In addition, economic efficiency generally had a fair increase. In the first half of this year, total retail sales of these provinces and regions reached 98.36 billion yuan, a 20.1-percent growth over that of the same period last year.

Following the continued improvement of enterprise economic efficiency and the steady development of agriculture and animal husbandry, local financial incomes of the eight provinces and regions have increased fairly greatly. In the first half of this year, the accumulated incomes of these provinces and regions reached 13.757 billion yuan, an 8.9 percent increase over that of the same period last year, which was much higher than that of the national average growth rate of 1.4 percent in local financial incomes.

Due to production increases and deepening reform measures, there was good development in fixed asset investment in the first half year in the eight provinces and regions. The total volume of fixed asset investment by state-owned units in these provinces and regions was 22.86 billion yuan, a 73-percent increase over that of the same period last year. In terms of the investment structure, the proportion of productive investment increased and investment continued to incline toward basic industries. Compared to the excessive investment and overheated construction of commercial housing nationwide, the investment structure of the eight provinces and regions was basically rational. This is primarily because state- and local-sponsored basic industrial projects as well as investment in commercial housing accounted for only 5.8 percent of the total investment.



In the first half of this year, incomes of urban residents in the eight provinces and regions increased noticeably, and the average workers' wage grew 13-24 percent, while the savings of township and village residents grew 16-25 percent. The increase in income brought about prosperity and stability in sales markets in these provinces and regions. The total retail sales of social commodities from January to June was 59.54 billion yuan, a 19.3 percent increase over the same period last year.

Based on last year's great development, the eight provinces and regions made new and greater progress in opening up to the outside world since the beginning of this year. These provinces and regions have maintained good momentum in attracting foreign funds. Yunnan and Inner Mongolia alone approved 437 foreign-funded projects with total contracts worth \$380 millions in the first half of this year. Guangxi actually utilized \$504 million in foreign funds in the first half of the year, a 1.6-fold increase over that of the whole of last year. Foreign trade of these provinces and regions also increased by a large margin, with the total import and export volume topping \$2.09 billion, a 16.2-percent increase over the same period last year.

Relevant authorities pointed out that there were worries among the good news in the economy of the eight provinces and regions in the first half of this year, as some contradictions and problems still existed: the proportion of economic growth was not adequately coordinated, backward infrastructures further worsened the "bottleneck" restriction in economic development, and the financial system was not operating smoothly. These problems caught the attention of the eight provinces and regions, and strong measures were taken to solve some of them for ensuring a sustained, speedy, and sound economic development in the minority regions.

#### **Autonomous Regions Progress in Telecommunications**

*OW0210061193 Beijing XINHUA in English 0547 GMT 2 Oct 93*

[Text] Beijing, October 2 (XINHUA)—Newly-installed facilities enabled China's five autonomous regions to score increases ranging from 30 to 60 percent in the volume of posts and telecommunications services provided in the first nine months of 1993.

The regions inhabited by minority nationality people are Guangxi, Inner Mongolia, Ningxia, Xinjiang and Tibet.

Backed by the Chinese Ministry of Posts and Telecommunications and regional governments, optical fiber telecommunications cable running from Guangzhou, the capital of Guangdong Province, to Nanning, the capital of the Guangxi Zhuang Autonomous Region and 58 satellite ground stations in Tibet opened earlier this year.

This year also saw the opening of another 12 satellite ground stations in Inner Mongolia, and two optical fiber cables linking Nanning to Changsha, the capital of

Hunan Province, and to Kunming, the capital of Yunnan Province, respectively.

Moreover, work has started on major posts and telecommunications facilities, telecommunications hubs and microwave telecommunications projects in the capitals of these autonomous regions.

Automatic switchboards have been installed in all prefectures and cities in the Ningxia Hui (Muslim) Autonomous Region in northwest China. Inner Mongolia plans to spend 990 million yuan (about 173 million U.S. dollars) building posts and telecommunications facilities in 1993, 2.7 times the amount invested in 1992.

The Xinjiang Uygur Autonomous Region in northwest China has decided to invest 440 million yuan in building telecommunications facilities this year, double last year's amount.

A 2,000-km microwave telecommunications project linking northern and southern Xinjiang is operating on a trial basis, while laying of an optical fiber cable running from Urumqi, Xinjiang's capital, to Xian, the capital of Shaanxi Province, is under way.

Tibet has created a long-distance telephone network via satellite in all prefectures and cities. Direct dialling to major cities in China and other countries is now available in Tibet's capital of Lhasa and two other towns.

#### **8-Month Statistics Show Transport Volume 'Bogged Down'**

*HK0410044093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 8*

[Report by staff reporter Qu Yingpu: "Transport Still Bogged Down"]

[Text] China's freight and passenger transportation volumes remained bogged down in August, according to the latest figures released by the State Statistics Bureau.

In the first eight months of this year, the nation's freight transport volume reported a drop of 0.3 per cent over the same period of last year, while passenger transportation declined by 11 per cent, a report from the bureau said.

Freight transport volume stood at 1.825 billion tons in the first eight months, the report said.

Of the total, rail freight inched up 1.7 per cent to 1.036 billion tons, while truck freight fell 8.4 per cent to 370 million tons.

Freight sent by ship climbed by 2.6 per cent to 419 million tons, while air freight soared 24.2 percent to 438,000 tons.

Freight turnover—an important indicator in monitoring unit labour productivity and economic efficiency—witnessed a small increase of 0.8 per cent to 1,667.602 billion ton-kilometres. (One ton-kilometre is one ton of cargo transported one kilometre.) Of the total, railways

reported a 2.7-per-cent rise to 787.266 billion ton-kilometres, while truck freight turnover fell 16.2 per cent to 20.299 billion ton-kilometres.

Air freight turnover generated 1.106 billion ton-kilometres, up 25.8 per cent, but boat freight turnover slid by 0.6 per cent to 858.931 billion ton-kilometres.

Statistics on passenger volume and turnover for the January- August period also made poor reading.

Total passenger volume stood at 3.372 billion.

Volume breakdown shows 703 million people travelled by rail, up 5.6 per cent, while 2.528 billion travelled by bus, down 15 per cent.

Some 119 million people travelled by boat, down 7.6 per cent, while 22.1 million people flew, up 21.9 per cent.

The passenger turnover in the first eight months reported a 0.9 per cent growth to 376.113 billion person-kilometres.

Of the total, passenger turnover by rail went up 11 per cent to 235.222 billion person-kilometres, while bus travel turnover dived by 13.4 per cent to 128.563 billion person-kilometres.

Boat travel turnover slid 0.9 per cent to 12.325 billion person-kilometres with air travel chalking up 25.8 per cent to 30.296 billion person-kilometres.

In August alone, China's railway transported 136 million tons of freight and 96 million passengers.

Major coastal ports handled 423 million tons of cargo in the first eight months of this year, 12.5 per cent more than during the same period last year.

The statistics also indicated that the business turnover of China's posts and telecommunications registered a sharp rise of 59.1 per cent in the January-August period to 28.167 billion yuan (\$4.94 billion).

### **Communications Ministry Checks 'Chaotic' Highway Situation**

HK0410051893 Beijing XINHUA Domestic Service in Chinese 0256 GMT 25 Sep 93

[By reporter Wang Yanrong (3769 1693 2837): "Communications Ministry Works Out Measures To Check 'Three Arbitrariness' on Highways"]

[Text] The Ministry of Communications recently worked out measures to further check the "three arbitrariness" on highways.

It has been learned that the highway communication system currently is plagued by chaotic management order, under which certain departments or units, as well as a handful of law enforcement personnel, arbitrarily set up checkpoints, impose fines, and collect fees on highways. Some of them intercept vehicles at will and

collect fees under various excuses, while others abuse their power and authority for personal gain by imposing fines and collecting fees at random. What they did has seriously affected the smooth operation of transportation, put an irrational burden on transportation operators, damaged the image of relevant administrative organs of the government, and aroused strong resentment among the masses.

To counter this situation, the Ministry of Communications has decided to organize forces, from now on, to rectify existing checkpoints, items of charges, and rules of penalties on highways, and to resolutely abolish all those considered irrational. As for fund-raising activities, highway constructions on loans, and collection of bridge and tunnel fees which already have been approved by the state, the Ministry of Communications reiterated that only the people's governments at the provincial level have the right to examine and approve fee collection and checkpoint establishment, and this right cannot be granted to governments at lower levels. Communications departments in all localities should rectify existing fee-collecting posts regarding highways and tunnels in line with the state's stipulations, work out a unified plan on the establishment of fee-collecting posts, combine together several nearby posts, and rationalize the distribution of fund-collecting posts by adopting the method that fees will be collected by one but shared by several. As for the highway administration, transportation inspection, and fee-collecting work of communications departments, the Ministry of Communications has decided to gradually put into practice an annual examination system on transportation vehicles, and to adopt such means as a computerized network management system to appropriately reduce the number of checkpoints and items of charges, and to simplify fee-collecting and penalty procedures.

The Ministry of Communications pointed out: An immediate halt should be imposed on various practices, such as compelling people to buy additional insurance when selling passenger tickets, as well as the practice by which certain ports and shipping enterprises collect various construction funds and additional fees from passengers and shippers which are not approved by the State Council, and water supply fees and berth occupancy fees from ships.

The ministry also has called for efforts to standardize and make public the work of fee collection and examination on highways. Each of those who conduct examinations and collect fees on highways should possess an examination and fee-collecting certificate verified and issued by the provincial people's government, on which his name, unit, certificate number, and supervision telephone number should be printed. In addition, departments in charge should make public the exact amount of penalties and fees, use bills printed and issued by the provincial people's government, and hand over all the penalties they have collected to financial departments at the provincial level.

**Bank Official on Ensuring Funds for Farm Products***OW0410082593 Beijing XINHUA Domestic Service in Chinese 0850 GMT 30 Sep 93*

[Text] Beijing, 30 Sep (XINHUA)—We must ensure the money supply for the autumn procurement of farm and subsidiary products in the spirit of reform, said Zhou Zhengqing, vice governor of the People's Bank of China [PBOC], at a recent national work conference on the money supply for purchasing farm and subsidiary products. He said: Beginning from the fourth quarter of this year, the PBOC head office will channel credits for purchasing farm and subsidiary products directly through the head offices of relevant specialized banks; and the PBOC branch offices will no longer supply funds and will only be in charge of supervising the delivery of funds for procurement, ensuring that no IOU's are issued.

Zhou Zhengqing said: The money supply work for purchasing farm and subsidiary products this fall is undergoing reform. As an important measure to further reform the monetary system, as well as a step to transform the functions of people's banks and to strengthen reform of the management system of people's banks and specialized banks, the PBOC head office will make unified arrangements in credit limits and renewed loans for specialized bank head offices. The reform, which will effect major changes in the functions of people's banks and specialized banks, is meant to be a severe test for the banks. The reform is aimed at harnessing the enthusiasm in two sectors: first, the relevant specialized banks, which are entrusted with a great responsibility in money supply, are duty-bound to ensure that IOU's are no longer issued in the autumn procurement of farm and subsidiary products; and second, people's banks at all levels shoulder the same heavy responsibility in money supply for the autumn procurement.

Zhou Zhengqing said: As a result of reform in the system of credit limits and money supply, the central bank has discontinued the practice of channelling funds through PBOC branch offices. However, this does not mean that the branch banks shoulder a smaller responsibility in money supply for procurement; on the contrary, they play an even bigger role in coordination, organizing investigations and briefings, and supervising the money supply. Therefore, in the current work of supplying funds for purchasing farm and subsidiary products, PBOC branch offices should, under the leadership of local governments, work with the relevant banks in ensuring the delivery of funds, jointly estimating and coordinating the supply of procurement money, and taking the lead in implementing the procedures for managing money supply and for opening accounts for purchasing enterprises. Moreover, they should also strengthen the supervision over special accounts of procurement funds, and ensure the integrity of the central bank's basic currency to help promote the growth of the macroeconomy, seeing to it that the basic currency circulates in the

operational process of procurement without misappropriation. The PBOC branch offices should coordinate with various specialized banks in ensuring that purchasing enterprises are allowed to open accounts at only one bank; they should also supervise specialized banks to effectively circulate and use procurement funds. After funds are put into use, it is necessary to monitor that they are used in the correct manner, and to ensure the withdrawal of funds from circulation through supervising the allocation of procurement funds and the return of sales funds to banks. Meanwhile, it is necessary to ensure a good job in cash supply and improve management of the basic currency.

**State Council Circular Reassures Grain Workers***OW0110233593 Beijing XINHUA Domestic Service in Chinese 1037 GMT 26 Sep 93*

[Text] Beijing, 26 Sep (XINHUA)—The 26 September issue of ZHONGGUO SHANGBAO (CHINA COMMERCIAL NEWS) reported that the State Council's leading comrades, following recent briefings by grain bureau and department chiefs from five provinces, and in view of the difficulties and problems encountered in grain work, have proposed the following: "Organizations should not be disbanded, positions must be defended at all costs, operating mechanisms should be transformed, and personnel should be streamlined." They also said the State Council will never neglect farm production and will never slacken grain work. After the briefing, the State Council issued a "Circular on Doing a Good Job in Grain Work and on Reassuring Staff Members and Workers Involved in Grain Work," stressing the need to reassure staff members and workers involved in grain work while proceeding with organizational reform and doing a good job in grain work. The circular greatly reassured five million staff members and workers who are involved in grain work.

**Jiang Inscribes for Three Gorges Project Company***OW0410084793 Beijing Central Television Program One Network in Mandarin 1100 GMT 28 Sep 93*

[From the "National News Hookup" program]

[Text] The China Chang Jiang Three Gorges Project Development Corporation was formally inaugurated in Yichang city, Hubei Province, on 27 September. General Secretary Jiang Zemin wrote an inscription for the occasion which reads: "Foster the pioneering spirit and do a good job in completing the grand Three Gorges project."

Premier Li Peng inscribed the company's name.

Vice Premier Zou Jiahua attended and addressed the inauguration. [video shows Zou Jiahua reading from prepared notes to a hall filled with people]



Construction of the Three Gorges project is expected to take 17 years, and is estimated to cost 50.9 billion yuan. When completed, the project will facilitate flood control, power generation, navigation, and yield other multiple benefits. It will be the largest hydropower station in the world today. To ensure the smooth completion of the project that will be carried over to the next century, the State Council has decided to designate China Chang Jiang Three Gorges Development Corporation the proprietor of the project that will be wholly responsible for the construction and operation of the project. At the same time, it will also participate in the development of hydropower resources on the Chang Jiang River. [video shows panoramic view of the Chang Jiang, shot of a huge dam, long shots of a dynamite explosion in the distance, earthmovers operating, a truck unloading earth, and trucks moving earth at a worksite]

#### **Zou Jiahua Inspects Three Gorges Project Work Site**

OW0210194093 Beijing XINHUA Domestic Service in Chinese 1230 GMT 28 Sep 93

[By RENMIN RIBAO reporters Wu Changsheng (0702 7022 3932) and Ma Heqing (7456 7729 7230) and XINHUA reporter Lu Yongjian (7773 3057 1696) ]

[Text] Yichang, 28 Sep (XINHUA)—On 28 September, while inspecting a work site and the resettlement of the Three Gorges Project, Vice Premier Zou Jiahua of the State Council said all constructors of the project must firmly keep in mind the idea of quality first, should practice the good traditions of the working class, be meticulous in organizing construction work, and should strictly abide by the established rules and regulations, so as to ensure the project's progress and quality.

Braving rains, Vice Premier Zou Jiahua today arrived at the cofferdam experimental work site of the project's key water control project to inspect the project's preparatory and construction work. He also visited a resettlement to extend his regards to workers and settlers. He demanded that local government let the settlers move to new houses before the Spring Festival so they can celebrate the festival free of worries. He said: Currently, despite the nationwide tight financial situation, the state has decided to guarantee the investment for the project—this underscores the determination of the party Central Committee and State Council. The project will provide benefits for 1,000 or even 10,000 years. The project's quality will decide whether or not it is a success, and will affect the safety of millions of people living in the lower reaches of the river. The international community and people across the country are very concerned about the project; therefore, we must be meticulous in designing

and constructing it, must organize work very well, practice strict management, and must not allow even the slightest negligence. Concerned localities and departments must coordinate their work very well and, in a spirit of being highly responsible for the people, ensure the success of this great task, which concerns the fate of generations to come.

Zou Jiahua pointed out: Adopting the international practice of inviting public tenders for the construction of each sub-project will reduce the drawbacks of the past practice of eating from the same "iron rice bowl." Units that can ensure construction quality and complete work ahead of schedule by contracting tasks should be commended and rewarded.

On resettling work, Zou Jiahua pointed out: Resettling work is a mass effort; therefore, political and ideological work should be stressed. We should apply ourselves to solving practical problems concerning resettlers' production work and daily life; we must not take this job lightly. Currently, Hubei Province shoulders the pressing task of resettling people from the dam area; I hope Hubei will set a good example. All concerned departments should closely coordinate their work, solve fund-supply and related problems in a timely manner, and support local government to ensure good supporting work.

Zou Jiahua also attended the inaugural meeting of the China Chang Jiang Three Gorges Project Development Corporation. The corporation is an economic entity with independent management power that is responsible for its own profitability and losses. It owns the project's sub-projects and assumes full responsibility for the project's construction and for its operations once it become operational. As its economic strength grows, the corporation will also engage in the development of Chang Jiang's water resources. The Gezhouba Power Plant has become a component of the corporation.

The project's initial preparatory work has been carried out smoothly. As of this date, nearly 5,000 construction workers have entered construction sites; nearly 800 pieces of construction equipment have been installed; more than 10 million cubic meters of earth and stone have been moved; and nearly 3,000 people have been resettled. Not long ago, invitations for public tenders were announced for the construction of the first key projects, including highways exclusively for transportation between construction sites and other localities. The tender for the construction of the Xiling Cross-Chang Jiang Bridge, one of the first key projects, has been selected and construction will begin soon. Major earth-digging work for the bridge will begin next year in the dam area. In addition, resettling work is being actively and steadily carried out.



## East Region

### 'Namelist' of Anhui Congress Appointments, Removals

*OW0210095393 Hefei ANHUI RIBAO in Chinese 15 Sep 93 p 1*

[Text] Namelist of Appointments and Removals of the Anhui Provincial People's Congress Standing Committee (Adopted at the Fifth Session of the Eighth Anhui Provincial People's Congress Standing Committee on 14 September 1993)

#### 1. Appointments:

Feng Lunding [7458 0243 1353] is appointed deputy secretary general of the provincial people's congress standing committee.

#### 2. Removals:

Feng Lunding is removed from the post of deputy director of the general office of the provincial people's congress standing committee.

### Appointment Decision Carried

*OW0210100893 Hefei ANHUI RIBAO in Chinese 15 Sep 93 p 1*

[Text] Appointment Decision of the Anhui Provincial People's Congress Standing Committee

(Adopted at the Fifth Session of the Eighth Anhui Provincial People's Congress Standing Committee on 14 September 1993)

#### Appointment decision:

Yang Duoliang [2799 1122 5328] is appointed director of the provincial foreign affairs office (concurrently).

### NPC Team Inspects Fujian Enterprise Law Enforcement

*HK0110151193 Fuzhou Fujian People's Radio Network in Mandarin 1100 GMT 26 Sep 93*

[Text] After an inspection of Fujian, the National People's Congress [NPC] Enterprise Law Enforcement Inspection Team held talks with leaders of the provincial people's congress standing committee and provincial government, reviewing the feedback of the inspection.

The NPC inspection team arrived in Fujian on 10 September. Over the past two weeks, they have gone to Fuzhou, Nanping, Sanming, Xiamen, and Quanzhou to listen to accounts given by the officials of governments and people's congresses. They also held talks with factory directors, party committee secretaries, and representatives of staff members of dozens of enterprises, as well as persons responsible for the finance, taxation, banking, structural reform, and labor departments. They acquired a comprehensive understanding of the implementation of the Enterprise Law and the corresponding Regulations

on Effecting a Change in Operational Mechanisms in Fujian. The inspection team realized that the whole of Fujian has done a lot of work in implementing the Enterprise Law, particularly in publicizing the Enterprise Law, formulating relevant policies, changing government functions, serving enterprises, and introducing the management experience of foreign-funded enterprises so as to promote local enterprise management.

The inspection team also made proposals and advice for Fujian to better implement the Enterprise Law. Yuan Qitong, vice chairman of the provincial people's congress standing committee; Vice Governor Shi Xingmou; and officials of relevant provincial departments were present on the occasion.

After listening to the feedback, Comrades Yuan Qitong and Shi Xingmou delivered speeches. They thanked the NPC inspection team for its concern and support for Fujian, and expressed their determination to change their concepts, deepen reform, enhance legislation, and strengthen the supervision of law enforcement so as to ensure better implementation of the Enterprise Law.

### Shanghai To Crack Down on 'Rampant' Tax Evasion

*HK0410043493 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 3 Oct 93 p 4*

[Report by staff reporter Xiao Zheng: "City To Crack Down on Tax Evasion"]

[Text] Senior local judicial and tax officials have promised to use an iron fist to crack down on Shanghai's rising tax evasion problem, a negative by-product of the city's fast economic growth.

Tax crime dealt with by local courts at various levels witnessed an upsurge in the past five years, with the figure for last three months surpassing the same period last year by 20 per cent, according to the tax department of the Shanghai People's Procuratorate.

Describing local tax evasion as "rampant," Yu Yunbo, deputy chief procurator of the city's top procuratorate, called on the local tax offices to take stronger measures against tax dodgers to protect the city's financial revenue.

Echoing his remarks, Zhou Xingying, deputy director of the Municipal Administration of Taxation, said local tax authorities will be "severe" in the treatment of those tax evaders discovered in the upcoming government audit, part of the city's on-going review of financial practices, especially tax cases.

All local enterprises and institutions were required to conduct a self-examination and report any illegal financial activities last month, before an inspection group including officials from a number of municipal departments begin to examine a large portion of the business community—probably 40 per cent of the total.

"Better to discard any hope that luck will protect you, as we will be lenient only to those of you who report irregularities," said Zhou.

The two senior officials made the remarks at a recent press briefing on the fifth anniversary of the tax department.

Since it was set up in 1988 to orchestrate tax inspection efforts, the department, together with its counterparts at district level, has recouped a total of 94 million yuan (\$16.5 million) from tax evaders.

According to the department, the major tax evaders have been private businesses. Fraud in the city's export refund programme has been another problem.

In 1991, the local tax departments at various levels cracked a total of 746 criminal cases, a six-fold increase compared to 1988.

Though the State raised the criterion for declaring a tax evader guilty in 1992, the caseload still reached 538 last year and the January-August figure of this year was 240.

According to officials with the department, the amount of money involved has also registered a year-to-year rise.

In 1988, the biggest criminal case involved 100,000 yuan (\$17,543) in taxes, while the figure was 2.6 million yuan (\$456,000) last year.

#### **Shanghai Courts Hand Down Death, Imprisonment Sentences**

OW0110204393 Shanghai People's Radio Network in Mandarin 1000 GMT 28 Sep 93

[From the "News and Weather" program]

[Text] To ensure railway safety, Shanghai municipal railway courts at both levels recently sentenced to death, life imprisonment, or set terms of imprisonment 22 criminals involved in 15 cases of theft, robbery, and drug trafficking. Among those sentenced was Su Guang, who was executed by shooting this morning for stealing.

Su Gaung, 32, was an unemployed man from Sichuan's Santai County. He had been sentenced to imprisonment on theft charges before. Last year, on 24 December, he stole a briefcase containing 55,000 yuan from a passenger on train 844 at the Kunming Railway Station. He took 18,000 yuan of the stolen money.

#### **'Roundup' Views Shanghai's Modernization, Revitalization**

OW0310031893 Beijing XINHUA in English 0150 GMT 3 Oct 93

[“Roundup”: “Shanghai's Reincarnation”]

[Text] Shanghai, October 3 (XINHUA)—Anyone who revisits Shanghai, China's largest economic center, will be impressed by its modern appearance.

The crowded ferries sailing across the Huangpu River to link Puxi, the business center, with Pudong, a newly-established economic zone, are being replaced by the newly-built Nanpu and Yangpu highway bridges.

Construction of an elevated ring road round the city and a subway is expected to ease the urban traffic jams.

Some 5,400 securities transactions can be concluded in the twinkling of an eye at the Shanghai Securities Exchange in this city where an international fair or a cultural event takes place every three days.

Such a booming city attracts millions of tourists and businessmen from home and abroad.

Wandering about the business center where myriad neon lights twinkle, a Japanese tourist said, “Shanghai is a city full of vigor and vitality.”

A municipal government official attributed the modernization of the city, which has a population of 13 million, to the nation's reform and opening to the outside world.

Serving as a financial center in the Far East since 1847 when the British Oriental Banking Corporation set foot in Shanghai, the city had over 40 foreign banks in operation before 1949 when the People's Republic of China was founded.

Then the central government led people in developing socialism under a central planned economy. Shanghai became an important industrial production base and has made a huge contribution to the country.

Since 1979 when China began its reform and opening policy, many cities have forged ahead economically. But Shanghai found it hard to rid its conventional way.

Wu Bangguo, secretary of the Shanghai Municipal Committee of the Communist Party of China (CPC), said, “There is no hope for the city unless it replaces the old system (central planned economy) with a new one (socialist market economy).”

In response, the municipal government shifted its focus from industry to services by setting up more markets, absorbing overseas funds, rearranging industrial structures and standardizing the economic system in line with international practice.

The municipal government has licensed a total of 5,300 foreign-fund enterprises. Included are 250 corporations, each of which has invested over five million U.S. dollars.

Shanghai has launched more than 260 companies in 37 countries and regions overseas.

In addition, seven national markets for nonferrous metals, oil, chemicals and iron and steel have taken shape in the city.

The nonferrous metals market concluded transactions amounting to 250 billion yuan within two years of its founding.

To restore its position in international finance, Shanghai now houses more than 20 foreign banks from the United States, Britain, Japan and other countries, in addition to 1,800 domestic banks and financial organizations.

Besides, 30 modern office blocks are being erected in the Lujiazui Financial Zone in Pudong New Area, which is expected to develop into an "oriental Manhattan."

Last year saw the city's fixed assets and floating capital climb to 65 billion yuan, of which 30 billion yuan came from various domestic and overseas capital markets.

To develop itself into one of the world's greatest cities, Shanghai is set to improving its urban infrastructure. Investment in this field reached a record 15 billion yuan last year.

The city's telephone exchange capacity topped one million lines last year.

Now Shanghai is speeding up preparations for building ten key urban infrastructural projects.

The city has built seven five-star hotels to cater to the needs of foreign tourists and business people.

The service industries last year accounted for 33.5 percent of the gross municipal product.

The service industries had more than 100,000 firms by the end of 1992, twice as many as industry and agriculture.

### **Industrial Structure in Shanghai Being Adjusted**

*OW0410073693 Beijing XINHUA in English 0632 GMT 4 Oct 93*

[Text] Shanghai, October 4 (XINHUA)—Shanghai, China's leading industrial center, has succeeded in adjusting its industrial structure.

A municipal government official said that the automobile, heavy chemical and high-tech industries are replacing the traditional light and textile industries in this oldest Chinese industrial base.

A survey report shows that the annual production output of Shanghai-Santana cars is expected to reach 100,000 this year. The industry obtained a sales income totalling 14 billion yuan in the first half of this year, and delivered 1.8 billion yuan to the state in taxes and profits.

Shanghai will produce advanced program-control telephone exchanges handling 3.04 million lines this year, that doubles last year's figure.

Its total production output value is expected to climb to more than five billion yuan this year, up from 3.6 billion yuan last year.

The output value of power station equipment, iron and steel, household electrical appliances and petrochemical products are also expected to register big increases.

According to local experts, the city began to adjust its industrial structure in the mid-1980s, when the national reform was taking shape across the country.

"This leading industrial center would have fallen behind if it had not shifted its industrial strategy," a leading municipal official in charge of industry noted.

The first objective which the municipal industrial department selected was the expansion of the automobile industry.

To upgrade technology in this sector, Shanghai cooperated with the German Volkswagen Automobile Company to jointly develop Shanghai-Santana cars.

According to statistics, Shanghai invested 2.3 billion yuan in modernizing its motor vehicle industry in the 1986-1990 period, and 5.5 billion yuan in the 1991-1995 period. As a result, this has become the leading industry in Shanghai.

In the high-tech field Shanghai now produces microelectronic products, integrated circuits and computers after introducing advanced foreign technology.

The city was able to produce advanced program-controlled telephone exchanges with a combined capacity of 310,000 lines in 1989, and 1.36 million lines last year.

In the adjustment of its industrial structure, Shanghai is paying attention to modernizing key projects and developing new and high-tech industries.

Its 20 newly-developed key products include tyres, cold-rolled sheet steel and household air-conditioners. These sectors generate an output value of more than 100 million yuan a year.

According to statistics, the city developed 46,000 types of new products during the 1989-1992 period.

Meanwhile, it has limited or reduced the production of 21 traditional industries which are out of date, and removed or closed down 339 enterprises producing outdated products.

### **Shanghai Reports 'Negative Population Growth'**

*HK0410065293 Beijing ZHONGGUO XINWEN SHE in English 0837 GMT 2 Oct 93*

[Text] Shanghai, October 2 (CNS)—According to the Shanghai Municipal Family Planning Commission, the birth rate in the first half of this year continued to fall and a negative population growth was registered.

According to statistics, by June 30 this year, the total number of residents registered in the municipality was 12.87 million. During the first half of this year, the total number of births here was 33,934 with a birthrate decrease of 0.038 percentage points. The number of deaths was 47,793, an increase over the same period last

year. The natural growth rate was a negative 0.108 percent, a decrease of 0.049 percentage points over the same period last year.

It is predicted that the number of births in Shanghai for the whole of 1993 will be 82,600, 7,400 fewer than originally estimated and that the natural growth rate will be a negative 0.059 percentage points, registering the first negative population growth rate in Shanghai since 1949.

### Central-South Region

#### Guangdong's Xie Fei Stresses Party Basic Line Propaganda

HK0210073893 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 25 Sep 93

[Text] The three-day provincial journalism forum ended in Zhanjiang yesterday. Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the provincial party committee, and (Huang Huahua), deputy secretary of the provincial party committee, had come to different sessions of the forum to meet with the comrades in charge of major provincial and city press units and gave important speeches.

Xie Fei pointed out: There is one fundamental principle that must be grasped in journalism and media work, namely, to conduct comprehensive and correct propaganda on the party's basic line. Under this general requirement, it is necessary to contribute to the development of productive forces, to social stability and unity, to the fostering of correct social practices and elimination of irregularities, and to the upbringing of a younger generation with lofty ideals, moral integrity, education, and a sense of discipline. According to these requirements, journalistic work should, in keeping with the changing circumstances, be carried out well on the basis of the party's arrangements for different periods. Journalism and media work should determine what to propagate and what not to propagate according to what is advocated and allowed and what should be opposed. It is necessary to substantially control the orientation of media. In journalism, the pursuit of sensational effect or hunting for novelty at the expense of everything else should be discouraged, because it often impairs the principle of truthfulness of journalism. Journalism should play its role in media supervision. In particular, in promoting the building of party and government conduct in the current effort to step up the anticorruption campaign, it is important to handle the issue of media supervision even better.

Xie Fei put special emphasis on the need to pay close attention to and handle each and every news story conscientiously. He said: If you do not treat it seriously or pay attention to improving the quality of news coverage, it would be almost impossible to make journalism well accepted by the people and consequently there would be no good [words indistinct] effect to speak of.

Xie Fei pointed out: Stories on natural disasters that are closely bound up with the masses' lives and property should be put in prominent spaces and treated seriously.

Finally, Xie Fei emphasized: As far as Guangdong's situation is concerned, there is still much room for improvement in news reporting and also great potentialities to tap. Careful journalism is a big job. We hope everybody will put effort into it.

(Huang Huahua), in his speech, demanded that all press units handle well the relationship between social benefits and economic benefits and always give priority to social benefits.

#### Bank of China Guangxi Branches Undergo Reorganization

HK0410045693 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 2 Oct 93

[Text] In order to earnestly implement the policy decision of the CPC Central Committee and State Council on strengthening macroeconomic regulation and control, rectifying the financial order, and enforcing financial discipline, the Bank of China Guangxi Branch dispatched a work team recently to 10 prefectures and cities to help the subbranches undergo screening and reorganization, and to strengthen and improve internal management.

The branches and subbranches also took action immediately. Seizing the opportunity of rectifying financial order, they comprehensively screened the loans granted and the economic entities run by themselves, and achieved initial successes.

To date, the balance of lending in violation of regulations has dropped by 565.9 million yuan from the end of May, and the rate of recalled loans has reached 43.64 percent. Of this, the loans recalled from nonbanking organizations reached 48.24 percent, the funds recalled from the banks reached 100 percent, and the loans recalled from the nonfinancial organizations reached 34.41 percent.

#### Activities, Remarks of Henan's Li Changchun

##### Speaks on Operational Mechanisms

HK0210080093 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 25 Sep 93

[Text] On 23 September, Li Changchun, secretary of the provincial CPC committee and chairman of the provincial people's congress standing committee, summoned leading comrades of big and medium-sized enterprises to a discussion session in Luoyang. He listened to reports on the implementation of the regulations, deepening of reform, and conversion of enterprise operational mechanisms, analyzed the current state of production and operation of big and medium-sized enterprises at the moment, and explored ways to overcome difficulties by means of deepening the reform.



The entrepreneurs present at the discussion from 17 big and medium-sized enterprises, including the No. 1 Tractor Factory, Copper Processing Factory, Glassworks, Mining Machinery Factory, and Chundu Group Company, remarked that since the macroeconomic regulation and control were introduced, some bottleneck factors, such as the strain on raw materials, electric power supply, energy, and communications, that used to restrict the healthy development of the national economy, have begun to loosen up. Because of the significant progress in propagating and implementing the regulations and materializing the decisionmaking powers for enterprises, some enterprises have discovered effective ways to convert their operational mechanisms. For example, the introduction of the joint-stock system in Chundu Group Company, the foreign-funded transplanting of technology by the Yetu Motorbike Factory, the operation of a pulp mill modeled on that of wholly or partially foreign-funded enterprises, and the deepening of three restructurings in glassworks and cotton mills have all brought forth remarkable achievements.

The entrepreneurs reported that the current production and operation of enterprises are faced with some new circumstances, new contradictions, and new problems. The most prominent among them are fund shortages and serious debt chains, which have begun to hamper enterprises' normal operations significantly. Moreover, the market situation is fast-changing, which tends to cause the sales of many products to slow down and come to a stop in the twinkling of an eye, after which the products may even become completely unsalable. The difficulty in opening up the market has increased.

At the discussion session, Li Changchun emphasized that big and medium-sized enterprises should, first of all, follow closely the demand on international and domestic markets, adjust the product mix in good time, turn the pressure from the negative change of salability into a motive force for adjusting the product mix, keep increasing the use of advanced technology in products, and form a product mix with high, middle, and low tiers. The quality of products should be so upgraded that they are made to high standards and some established brand names can be created. It is necessary to expand the scope of services and keep improving adaptability to market changes.

Second, it is necessary to accelerate the conversion of enterprise operational mechanisms, speed up the transformation of the joint-stock system and the pace of three restructurings, and encourage enterprises with required conditions to embark on transplanting projects with foreign investors or operate in the mode of wholly or partially foreign-funded enterprises. The small industrial and commercial enterprises which have been operating at a loss over an extended period of time or have been making little profit may be auctioned off or leased out via the property rights exchange market.

Third, it is necessary to accelerate the restructuring of enterprises. A batch of pacesetter enterprises should

take the lead and set up incorporated companies. This is bound to turn medium-sized and small enterprises into satellite factories of the pacesetter enterprises, forming an economy of scale and increasing their competitiveness.

Li Changchun urged party and government leaders and functional departments at all levels to take the initiative in serving the enterprises. They should make timely and effective efforts in redressing the three disorders in enterprises as an important task, in coordination with the anticorruption campaign. The following tendencies should be avoided: First, too much control or excessively fastidious control on enterprises, like in the past, and second, leaving enterprises alone and showing no care for them. At present, enterprises are under heavy tasks and faced with many problems. As long as everybody emancipates the mind, renews concepts, and works with enhanced vigor, we will certainly be able to overcome difficulties and bring about fast and sound development to the national economy.

#### Addresses Organizational Work Meeting

*HK0210074393 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 25 Sep 93*

[Text] At yesterday's [25 September] provincial organizational work meeting, provincial party Secretary Li Changchun emphasized the need to adhere to and improve the party's democratic centralism and enhance the cohesiveness and fighting capacity of leadership groups, truly building leadership groups at all levels into firm nuclei of leadership.

Li Changchun expounded on the great significance of adhering to and improving democratic centralism from four angles.

First, only by adhering to and improving democratic centralism can we safeguard the unity of leadership groups at all levels and enhance the cohesiveness and fighting capacity of leadership groups.

Second, only by adhering to and improving democratic centralism can we avoid erroneous deviations toward the left or the right and upgrade the decisionmaking art and competence of leadership groups in various localities.

Third, only by adhering to and improving democratic centralism can we guarantee the consistency of government decrees and mobilize the enthusiasm and creativity of people from all walks of life, forming a joint force in carrying out undertakings.

Fourth, adhering to and improving democratic centralism is also a systemic safeguard of the anticorruption campaign.

Li Changchun said: The unity and alignment within the party leadership groups at all levels is an important premise to modernization, at the bottom of which is democratic centralism. Various kinds of problems are found among the leadership groups at all levels in our

province today. An important reason is that they have not been adhering to democratic centralism well enough, thus undermining their cohesiveness and fighting capacity. To solve this problem, we must start from adhering to and improving democratic centralism and balance the following three relationships:

The first relationship is between collective leadership and an individual's share of work. It is necessary to let the collective study and decide on important matters. Individuals must obey the collective and the minority must obey the majority.

The second relationship is between the group leader and other members of the group. The group leader should be good at drawing on collective wisdom and follow valuable advice with no qualms and should have the ability to keep the overall situation under control. In the meantime, the group leader should be strict with himself and unite with others. Mutual trust, mutual supervision, mutual criticism, and mutual help should be encouraged, so as to foster a sincere and harmonious comradely relationship within the group.

The third is the relationship between the individual and the organization. Individuals must obey whatever is decided by the collective unconditionally. They must overcome such tendencies as wanting the care, not discipline, from the organization, obeying the organization on the surface but doing something different behind its back, being choosy about the organization's assignments, and even demanding benefits.

Li Changchun said: What we are facing is the arduous task of building a socialist market economic system. Leadership groups at various levels must be good at absorbing correct advice, summing up fresh experience, pooling the wisdom of party members and the masses, and making the decisionmaking process more democratic and scientific.

Li Changchun pointed out: Party committees, as local leadership cores, must form a joint force in carrying out undertakings, strengthen the party's status as a center of leadership, handle well the relationship between the separation of party leadership from government administration and the improvement on party leadership, reinforce the awareness of the importance of more coordination, more communication, and more contacts, handle well the relationship of party committees and state power organs with nonparty organizations, strengthen the sense of serving the center, and handle well the relationship between the party's central work and the focus of work of various departments.

Li Changchun emphatically pointed out: The source of corruption is the absence of restrictions on power. A major manifestation of corruption at present is the trading of power for money. Therefore, it is imperative to strengthen the principle of democratic centralism within the party, so as to check individuals' power in leadership groups, subject it to the supervision of the collective and the masses, and leave no opportunities for

the small number of people who have weak party spirit or are feeble-minded to take advantage of. Party organizations at all levels must place the ongoing anticorruption campaign high on their list of priorities. Chief leaders should attend to this matter personally and make a point of accomplishing marked phased results.

Ren Keli, deputy secretary of the provincial party committee, presided over yesterday's meeting. Provincial Deputy Secretary Song Zhaosu and standing committee members of the provincial party committee, including Lu Guangtian, Song Guocheng, Ma Jianzhang, and Zhang Wenbin, attended the meeting.

### Henan Governor Speaks on Anticorruption Struggle

HK0210072693 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 24 Sep 93

[Excerpts] At the third plenary session of the provincial government held on the morning of 24 September, Governor Ma Zhongchen said: The governments and departments at all levels should consider the anticorruption campaign an important political task and place it on the agenda. [passage indistinct]

Ma Zhongchen said: Henan's government organs, on the whole, are good. The majority of government staffers have honestly performed their duties. Corrupt practices prevail among some leading cadres and organs, however, and some cases are rather serious. The government and departments at all levels should toe the central line, earnestly implement the instructions of the central and provincial authorities on fighting corruption, regard the anticorruption campaign as an important political task, and do a good job of it.

Ma pointed out: The key to the anticorruption campaign lies in the leading cadres keeping themselves clean of corruption. Cadres above the county office level should strictly implement the five-point stipulation proposed by the central authorities on honestly performing duties and the eight-point requirement set by the provincial authorities. Leading cadres of party and government organs, and officials from the judicial organs, law enforcement organs, and economic management organs who have violated law and discipline should be sternly punished. It is necessary to resolutely check those unhealthy tendencies that the masses hate most: First, indiscriminately exacting charges; second, travelling at home and abroad at public expense; third, unhealthy tendencies in trade; and fourth, party and government organs doing businesses. Party and government at all levels should strive to make phased successes in the near future. [passage omitted]

Ma stressed: It is necessary to correctly handle the relations between economic construction and the anticorruption campaign. On one hand, we should grasp economic construction, increase efficiency, and fulfill and overfulfill the annual national economic and development quotas. On the other hand, it is necessary to pay close attention to the anticorruption campaign and ensure that the struggle against corruption will proceed normally and in an orderly fashion in Henan. [passage omitted]

**Mainland Affairs Official Condemns Hijackings***OW0110145693 Taipei CNA in English 1424 GMT  
1 Oct 93*

[By Sofia Wu]

[Text] Taipei, Oct. 1 (CNA)—The Republic of China [ROC] has consistently opposed and condemned commercial airplane hijackings no matter what their purpose is, a Mainland Affairs official said Friday [1 October].

Vice Chairman Kao Kung-lien of the Mainland Affairs Council made the statement after a Mainland Chinese commercial airliner was hijacked to Taiwan Thursday. It was the fourth such case in less than six months.

Kao said the ROC, a signatory of the Hague convention against hijacking, imposes harsh penalties on hijackers.

"We insist on our jurisdiction over mainland hijackers to demonstrate to the world that we are against hijacking for any purpose," Kao noted.

He said the government has asked Broadcasting Corporation of China and other radio stations here to intensify broadcasts to the mainland of Taiwan's stance on hijackings and the penalties hijackers may be given under Taiwan laws.

Kao urged Beijing authorities to improve air security to prevent future hijackings from the mainland to Taiwan.

Kao said the Mainland Affairs Council has authorized the semi-official Straits Exchange Foundation (SEF) to discuss with its mainland counterpart how to prevent cross-strait hijackings.

"We hope the Beijing-led Association for Relations Across the Taiwan Strait (ARATS) would cooperate with the SEF to find a solution to the issue as soon as possible," Kao said.

SEF and ARATS officials may meet in late October to discuss joint operations against smuggling, piracy and other criminal activities occurring on the Taiwan Strait, Kao added.

A mainland taxi driver and his wife hijacked a Sichuan Airlines passenger plane to Taiwan Thursday which was also the Moon Festival holiday on both sides of the Taiwan Strait. Their six-year-old son was also on board.

Three other recent hijackings occurred in April, June and August respectively. Two men involved in the April hijacking were sentenced to 10 years in prison. Those involved in the June and August incidents are facing trials in Taiwan.

**Lien Chan on Policy Concerning Mainland***OW0310004993 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
1 Oct 93*

[Report by Wang Hsiang-mao at the Legislative Yuan; date not given; from the "Hookup" program—recorded]

[Text] [Wang] Premier Lien Chan made statements while answering the interpellation, addressed by Legislator Wei Yung of the ruling party, concerning foreign policy. Premier Lien stressed: At present, Communist China has established formal diplomatic relations with upwards of 154 countries. Judging from its strength, it is not necessary for Communist China to establish diplomatic relations with so many countries. Its purpose in doing so is to sabotage our existence in the international community. Therefore, the zero-sum game rule still dominates both our country and Communist China as far as foreign affairs in the international arena are concerned. We should make active efforts to achieve results bit by bit. Here is what Premier Lien said:

[Lien] It is maintaining more bilateral relations than any other countries. Why? It is extremely obvious that it intends to deprive the Republic of China of the room for expanding its ties with other countries. In terms of foreign affairs, both our country and Communist China are still in for the zero-sum game. I believe that all of us should have a profound understanding about this issue. We either forge ahead or gradually fall behind. Where can we retreat?

[Wang] Premier Lien emphasizes: Communist China has not entertained lofty ideals in terms of inter-strait relations. It has always ignored reality and our sovereignty. This is an attitude which will not be of any help to the states' future unification. He hopes that our countrymen will have a profound understanding of this fact and give all-out support to the government in its efforts to promote relations with other countries. This is reporter Wang Hsiang-mao of the China Broadcasting Corporation reporting at the Legislative Yuan.

**Li Teng-hui on Entry to UN, Reunification Issue***OW0410011793 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
23 Sep 93*

[From the "Hookup" program—recorded]

[Text] President Li Teng-hui said yesterday [23 September]: Although the general committee of the United Nations has decided not to include on its agenda a proposal to study our country's application to rejoin, it does not mean that the Republic of China [ROC] has failed in its goal to join the United Nations. President Li stressed that we will continue to work hard for our goal by gathering together Taiwan's people power. He also said that the ROC Government greatly appreciated the efforts made by seven Central American countries to put



forward the proposal to study the ROC's bid to enter the United Nations. Here is a report by Cheng Shih-yung:

[Begin Cheng Shih-yung recording] President Li Teng-hui received, at the Presidential Building at 0930 [local time] on 23 September, delegates to the 1993 International Seminar on Chinese Language Broadcasting from the broadcasting industries of more than a dozen countries, including the BBC, Voice of Germany, Japan's NHK, as well radio stations in France, the United States, Russia, Canada, and New Zealand. President Li said: It is a common wish of everyone in the ROC to join the UN. We are fully aware of the great difficulty we face in achieving our goal of UN membership, but we will gather all power from the people and continue to work hard for our cause. President Li emphasized: There are 21 million people living in Taiwan, Penghu, Chinmen, and Matsu which are under the control of the ROC. But the ROC cannot have a seat in the United Nations. It is wrong and unfair that the ROC has no representatives to speak for the interests and rights of these 21 million people. It also obstructs our action and determination to repay the international community.

Although the general office of the United Nations has decided not to include on the agenda of the current UN General Assembly a proposal to study our country's UN membership, President Li expressed regard for and encouragement of the people for their efforts to help the country's bid to join the UN and to the staff at the Ministry of Foreign Affairs and other departments for their hard work. He also expressed the hope that all his countrymen—in or out of office and no matter to which party they belong—would jointly exert their utmost efforts to help the country enter the United Nations.

On the development of cross-strait relations and the possibility of Communist China resorting to force to solve the unification problem, President Li said: Two years ago, the government announced the termination of the Period of Mobilization for Suppressing Communist Rebellion and the abolition of the Interim Articles of the Constitution in the hope of changing our cross-strait relationship from one of longstanding military confrontation to a new one of solving problems through peaceful means. Communist Chinese authorities should understand this world trend. It will be unfeasible and impossible to resolve cross-strait issues by attempting to use force.

President Li pointed out: Our final goal is the unification of the country. Judging from the current situation, it will be very difficult to achieve the goal of unification if the mainland, which is under the rule of Communist China, is unable to attain the goal of freedom, democracy, and equal distribution of wealth. President Li also said: It is a fact that China is separated at present. It is also an undeniable fact that the ROC on Taiwan is a political entity. It is unacceptable to us that Communist China's central government sees itself as a father and stubbornly treats Taiwan as a local government, or son.

Talking to the guests, President Li reiterated that the proposition of separated territories, which was being advocated by a small number of people and political parties, had already undermined state security and social stability. The government and the ruling Kuomintang [KMT] were absolutely opposed to the proposition.

President Li emphasized: At present, the most important thing for the Communist Chinese authorities to do is to establish as soon as possible a society in which all people can freely and fully express their opinions and be treated with due respect. We are also striving for such a goal. He expressed his belief that such an attitude would be helpful to the unification of the two sides.

During his meeting with the guests, President Li was asked whether he would run for another term. He said: Reelection of the president has always been a hot topic for people of all circles. Personally, though, he believed that as there were almost three years remaining before his term expired, the most pressing issue during this period was to solve the difficulties and problems faced by the nation and society and to find ways to improve people's lives rather than thinking about reelection.

President Li also said: The president is the leader of the state. According to the provisions of the constitution, any ROC citizen over the age of 40 can run for the presidency. However, because running for presidency is a serious matter, it is first necessary to understand what a president should do for the country, the people, and the needs of the people. This is the most important thing.

Responding to a question about visiting Hong Kong in his capacity as Kuomintang chairman, as had been suggested by Hong Kong papers, President Li said he was not familiar with the details of such reports, but that he was clear that he would do anything that benefited the state and the people. This is reporter Cheng Shih-yung of the China Broadcasting Corporation reporting from Taipei. [end recording]

#### **'Protest' Sent to UN Over Press Freedom**

*OW0410091093 Taipei CNA in English 0742 GMT  
4 Oct 93*

[By Lilian Wu]

[Text] Taipei, Oct. 4 (CNA)— National Press Council (NPC) of the Republic of China [ROC] sent a letter to the United Nations over the weekend to protest the revocation of press accreditation for a CENTRAL NEWS AGENCY correspondent.

NPC Secretary-General Lai Kwo-chou said in a letter dated Oct. 2, that the UN World Human Rights Declaration clearly supports freedom of the press.

Lai said the UN seriously violated its human rights declaration by revoking press credentials for the CNA correspondent.



The UN Secretariat withdrew the accreditation for David Wang, CNA's New York bureau chief, on Sept. 23, two weeks after it granted Wang the right to cover UN news.

The Secretariat claimed CNA is a government organ of the Republic of China, which is not a UN member, and that its earlier decision to permit Wang to cover the international body was a mistake.

Lai called on the UN to "return the press cards to the reporters of CNA and render necessary assistance to journalists from Taiwan media."

In another letter to the International Press Institute [IPI], Lai asked the IPI to support press freedom by writing to the UN and calling on it to respect CNA's right to free access to news.

The National Press Council, composed of veteran journalists, scholars of journalism and legal experts, is dedicated to the promotion of freedom of the press and the quality of media production.

#### **Economics Ministry Plans To Develop SRV Market**

WA0410154393 Taipei CHING CHI JIH PAO in Chinese 16 Sep 93 p 2

[Summary] On 15 September Economics Minister Chiang Ping-kun revealed that following the gradual lifting of economic sanctions against Vietnam, his ministry has undertaken plans to invest in the food processing and petrochemical industry, as well as to develop industrial zones in Vietnam. This is part of the government-guided plan to develop triangular markets comprising Ho Chi Minh City in Vietnam, Subic Bay in the Philippines, and Pulau Batam in Indonesia. According to the ministry's statistics, as of July 1993 there are 87 Taiwan-invested projects totalling \$1.4 billion in Vietnam. He said the government will spare no efforts to promote economic and trade relations with Vietnam and further develop the Vietnamese markets for state-run enterprises.

#### **Agreement Signed With EC on Tax Cooperation**

OW0210090793 Taipei CNA in English 0817 GMT 2 Oct 93

[By Benjamin Yeh]

[Text] Brussels, Oct. 1 (CNA)—The Republic of China [ROC] and the 12-nation European Community signed an agreement Friday [1 October] to cooperate more closely on tax issues.

The accord, an appended clause to a letter of intent the two sides signed in 1990, will be retroactive to August 1, 1990.

Under the letter of intent, firms from both sides are exempted from paying business income tax on shipping operations conducted in each other's territory.

Lu Chao-chung, representative of the Taipei Economic and Cultural Office in Brussels, inked the accord on behalf of the ROC while the EC was represented by Frank Friedrich, secretary-general to the European Chamber of Commerce.

Also present as witness to the ceremony was Jean Paul Mass, an executive in charge of shipping concerns for the EC European Commission.

#### **Taipei Holds Trade Consultations With Netherlands**

OW0410092893 Taipei CNA in English 0754 GMT 4 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 4 (CNA)—The 1993 annual trade consultations between the Republic of China [ROC] and the Netherlands were held in Taipei Monday [4 October].

Y.C. Huang, director-general of the ROC's Board of Foreign Trade and F.A. Engering, director-general of Foreign Economic Relations of Holland's Ministry of Economic Affairs, jointly officiated the half-day meeting.

The two sides exchanged opinions on a wide variety of issues including seeking support from the Netherlands for Taipei's bid to join the 1987 Montreal Protocol banning the use of the ozone-depleting chlorofluorocarbons.

They also discussed the signing of an agreement on environmental protection cooperation and Taipei's request for the Netherlands to simplify procedures for Taiwan investors to apply for work and residence permits there.

In addition, intellectual property rights protection, product quality certification and cooperation in water resources development were discussed.

Dutch delegates suggested the signing of a broad-range tax exemption agreement and encouraged more Taiwan students to seek advanced studies in the Netherlands.

ROC and Dutch economic officials have met annually for trade consultations since 1991. The event is held alternately in Taipei and Amsterdam.

The Netherlands is Taiwan's third largest trading partner in Europe. Two-way trade between the two countries totaled US\$3.67 billion last year.

### **Agricultural Pact Signed With the Netherlands**

OW0410092793 Taipei CNA in English 0749 GMT  
4 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 4 (CNA)—The Republic of China [ROC] and the Netherlands signed an agreement Monday [4 October] in Taipei to further strengthen agricultural cooperation between the two countries.

The agreement, inked by executive officials of the ROC's Council of Agriculture and the Netherlands' Ministry of Agriculture, Nature Management and Fisheries, stipulates increased exchanges of specialists, research reports and exhibitions between Taiwan and Holland.

According to the agreement, the two countries will cooperate in agricultural science, the marketing of agricultural products and monitoring the implementation of ongoing agricultural activities.

Other agenda on which the two sides sought to increase cooperation but were not covered in the agreement include Holland's hope to fully open the Taiwan market to its dairy products, livestock products and flowers.

Taiwan, on the other hand, hopes to sell duck and goose livers to the EC market through Holland, council officials said.

This was the second agricultural cooperation agreement Taiwan signed with a European country.

Taiwan signed an agricultural technology agreement with France's Institute of National Research in Agriculture in 1990.

### **Government Considers Offering Relief Aid to India**

OW0410091193 Taipei CNA in English 0745 GMT  
4 Oct 93

[By Lillian Lin]

[Text] Taipei, Oct. 4 (CNA)—The Republic of China [ROC] is considering offering relief aid to India, which experienced its worst earthquake in 60 years on Sept. 30, a source at the Ministry of Foreign Affairs said Monday [4 October].

The source said the Foreign Ministry is searching for the proper channel to deliver relief materials to the western Indian State of Maharashtra.

Despite India's objection to the ROC's bid to reenter the United Nations, Taipei will still offer assistance to the devastated state, the source said.

Many countries, including the United States, Britain, France, Japan, Israel, Canada, Kuwait and Pakistan, have delivered relief packages to India.

### **Premier Lien Chan's Popularity 'Growing'**

OW0410090993 Taipei CNA in English 0802 GMT  
4 Oct 93

[By Debbie Kuo]

[Text] Taipei, Oct. 4 (CNA)—Premier Lien Chan's popularity is growing as a recent poll showed that 73 percent of the people, as opposed to 69 percent in August, are satisfied with his performance in office.

According to a poll conducted by the Fubon Cultural and Educational Foundation on Sept. 29 and Oct. 1, only 3.66 percent of the 1,148 telephone interviews found Lien's performance disappointing.

Some 34 percent of those polled said their impressions of Lien have not changed from seven months ago.

The survey showed that although 73 percent of the people said Lien is doing a good job on anti-drug, anti-corruption, and economic issues, only 48 percent of them think his efforts will be successful. Some 25 percent said it's too early to tell the effectiveness of Lien's programs.

More than 78 percent of those polled said the island has serious youth crime and drug abuse problems, while most of them said the government has "insufficient" social and welfare programs for the nation's youth.

On anti-drug, anti-corruption, and economic revival policies, 42 percent of the inquired said they were most dissatisfied with the government's economic policy while 50 percent said they were not even aware the government has developed a package to stimulate the local economy.

Some 67 percent of the surveyed said they are satisfied with Lien's anti-drug program.

### **President Li Tours Air Force Academy**

OW0310102693 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
2 Oct 93

[From the "Hookup" program]

[Text] President Li Teng-hui pointed out yesterday [2 October] that pragmatic diplomacy and development of cross-strait relations should be predicated upon the security of the Taiwan Strait. He said: We should have adequate military strength to maintain a balance of strength and stability in the Taiwan Strait. Military strength is our most important bargaining tool for promoting the development of cross-strait relations, and it is also a stabilizing factor for economic development.

In the company of Chief of General Staff Liu Ho-ching and Air Force Commander in Chief Tang Fei, President Li toured the Air Force Academy yesterday and dined with its officers and men.

Later, the president also toured a Knox-class warship, which the Republic of China [ROC] Navy leased from the United States and which arrived in Taiwan recently.

In the company of Admiral Chuang Ming-yao, commander in chief of the Navy, President Li boarded the ship to familiarize himself with the ship.

Speaking to the ship's officers and men, President Li said: Naval construction requires huge sums and a long time. The Navy started to negotiate with the United States on the purchase of Knox-class ships in 1985, but we did not get the ships until today, eight years later. During this period, the Navy, in order to reinforce its strength, has reorganized [chong zheng] its second-generation [er dai] fleet. A considerable amount of

manpower and material and financial resources have been invested in improving its general logistical capability and training personnel.

The president added: In early May this year, the first second-generation fleet was formed with the first fleet of Cheng Kung-class ships. It was a major breakthrough and achievement in the Navy's history. It was also a major milestone in the Navy's modernization.

President Li stressed that the Navy's life is one in which naval officers and men share the same destiny. Like living in a big ship, he said, the 21 million Chinese now living in Taiwan, the Penghus, Kinmen, and Matsu must depend on this ship for their survival, and so we must share weal and woe together.

## Hong Kong

### PRC Official Comments on Talks With UK

#### Says UK 'Delaying'

OW0210135393 Beijing XINHUA in English 1335  
GMT 2 Oct 93

[Text] Hong Kong, October 2 (XINHUA)—A senior Chinese official has accused Britain of taking a delaying attitude towards solving Hong Kong issue.

At a local gathering yesterday to mark China's national day, Guo Fengmin, senior representative of the Chinese team of the Sino-British Joint Liaison Group (JLG), said that the Chinese side has always adopted a positive attitude towards many issues concerned with Hong Kong, but the British side has not responded positively.

The Chinese side has repeatedly urged the British Hong Kong Government to draw up a plan on the pension scheme for the civil servants in Hong Kong, but the British side has failed to respond to China's proposal made several years ago, Guo said.

China and Britain have reached many agreements concerned with the Hong Kong issues in the past. But the British side has failed to abide by some of these agreements reached between the two sides, he said.

The uncooperative attitude towards the solution of the Hong Kong issue taken by the British side has delayed the progress of JLG's work, Guo said.

In response to the concern that there might be a vacuum period around 1997 in which the existing legal system may not be linked with the new one in Hong Kong, Guo said that he did not think there would be such a possibility.

Talking about the arrangement on the use of the military land in Hong Kong after 1997, he said that great progress has been achieved at the latest round of JLG meeting, during which the Chinese side has put forward constructive proposals and is waiting for the response from the British side.

He revealed that the next meeting of the JLG is scheduled to be held in London in December.

#### Claims UK 'Stalling'

HK0310071593 Hong Kong WEN WEI PO in Chinese  
2 Oct 93 p 11

[Report: "Guo Fengmin, Chinese Chief Representative to Sino-British Joint Liaison Group, Complains That British Side Is Stalling For Time"]

[Text] Guo Fengmin, Chinese chief representative to the Sino-British Joint Liaison Group, said last evening that he hoped the meeting of the Chinese and British foreign ministers would help quicken the work of the Joint Liaison Group. He also criticized the British side for

continuing to use stalling tactics and making no response on many issues discussed by the Joint Liaison Group. This has slowed the progress of the Joint Liaison Group's work.

Questioned by reporters last night, while attending the banquet held by the people of west Kowloon to mark the 44th anniversary of the founding of the PRC, Guo Fengmin said he hoped the meeting of the two foreign ministers would play some role in promoting the work of the Joint Liaison Group. However, he was discontent with the progress of the Joint Liaison Group's work, and hoped to quicken the pace.

Guo Fengmin pointed out: The Chinese side assumed a positive attitude toward many issues, and put forward proposals long ago, but the British gave no positive response. He cited the issue of pensions for civil servants as an example, saying that the Chinese side repeatedly expressed its hope that the British Hong Kong Government would work out a relevant program, but the British Hong Kong Government made no response to this. Guo Fengmin added: In the past, China and Britain reached agreements on many issues, but the British side did not honor its promises, such as on the issue of the Court of Final Appeal. He asked: Did the British side have any power or reason to repeatedly blame the Chinese side for stalling for time? He hoped the Hong Kong people would make their own judgment.

Guo Fengmin said: The Joint Liaison Group has yet to positively discuss some issues, and needs to do a great deal of work at the present moment, but this requires the joint efforts of both sides. He stressed that if both sides have sincerity, then agreement can be reached on many issues. He also said that according to the provisions of the Sino-British Joint Declaration, the Joint Liaison Group should hold at least three meetings in one year. The last meeting of this year will be held in London in December. He revealed that before that meeting, the two sides will hold a number of expert meetings in Hong Kong.

Asked by reporters about the issue of the military-purpose land, Guo Fengmin said that this issue was discussed by the Joint Liaison Group at its Beijing meeting, and the Chinese side put forward a technical proposal at that meeting. They are awaiting the British side's response. As for the issue of Container Terminal No 9, Guo Fengmin said: Many relevant issues have yet to be studied. The British side provided some data at the last meeting, and the Chinese side now is studying these materials intensively.

#### PRC Official Urges 'Sincerity' in Talks

HK0210035093 Hong Kong WEN WEI PO in Chinese  
30 Sep 93 p 12

["Dispatch" by staff reporter Chen Chien-ping (7115 1696 1627): "Chen Ziyang Says That the Chinese Government Has Full Confidence in the Hong Kong People's Ability To Exercise Good Administration Over Hong Kong"]



[Text] Beijing, 29 Sep—Chen Ziyang, deputy director of the State Council's Hong Kong and Macao Affairs Office, said here today that the crucial point in the current Sino-British talks is that the British side should have sincerity like the Chinese side, adding that this sincerity should not be empty, and its actual component is the "three conformities."

In the Hong Kong and Macao Affairs Office this afternoon, Chen Ziyang met a Hong Kong and Macao trade union delegation which had come to participate in National Day celebrations. He made these remarks during the meeting when discussing the Sino-British talks on the arrangements for Hong Kong's 1994-1995 Legislative Council elections. Chen Ziyang said that the arrangements for the election of the last Hong Kong Legislative Council should be discussed by China and Britain because, in a broad sense, convergence must be taken into consideration. He said that the basis of the current talks was confirmed by China and Britain before formal talks began on 22 April this year through the Sino-British Joint Declaration, the Basic Law, as well as the understandings and agreements reached in the seven letters between the Chinese and British foreign ministers.

Chen Ziyang pointed out that 12 rounds of talks have been held so far. Some progress has been made, but not much, and the results have not been as satisfactory as expected. The Chinese side hopes that faster progress can be made and problems can be resolved as soon as possible. The problem now is whether the British side can have sincerity like the Chinese side. This sincerity should not be empty, and its actual component is the "three conformities."

Chen Ziyang said: We hope that, in the last several years during Hong Kong's transitional period, the Chinese and British sides can cooperate in fulfilling the historical mission entrusted to us by the Sino-British Joint Declaration. He once again told the Hong Kong compatriots to rest assured that, under whatever circumstances, the Chinese Government is determined and has the ability to practice "one country, two systems" and "Hong Kong people administering Hong Kong" and to maintain Hong Kong's prosperity and stability. The Chinese Government has full confidence in the Hong Kong compatriots and Hong Kong's various circles. Essentially, Hong Kong has been successful thanks to the efforts of the Hong Kong people and the fact that it is geographically attached to the mainland. With these two basic points and the Basic Law, there is no reason to doubt the Hong Kong people's ability to exercise good administration over Hong Kong. Chen pointed out that the days are numbered for Hong Kong's return to the motherland and hoped that everyone will make common efforts.

During the meeting, Chen Ziyang also briefed the delegation on the mainland's economic construction, on strengthening macroeconomic control and regulation, and on opposing corruption. Among those present were:

Chen Guangming, deputy chief of the Second Department of the Hong Kong and Macao Affairs Office; and Mo Ruiqiong, chief of its Third Department.

#### PRC Official on Submitting Reforms to Council

HK0410053893 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1354 GMT 3 Oct 93

[By reporter Lu Tong (0712 1749)]

[Text] Beijing, 3 Oct (ZHONGGUO XINWEN SHE)—Today, Wang Qiren, deputy director of the State Council's Hong Kong and Macao Affairs Office, stressed that if the British side submits Patten's constitutional reform package to the Legislative Council for discussion, this will mean that the British side wants to break off the Sino-British talks unilaterally, and this will have serious consequences for Sino-British cooperation on the Hong Kong issue. Even so, we still have confidence and the ability to ensure Hong Kong's smooth transition and Hong Kong's stability and prosperity.

When asked about the Sino-British talks and the through train issue, Wang Qiren also said that if the Sino-British talks fail to reach agreement because the British side violates the "three conformities" principle, then the Legislative Council formed on the basis of the 1994-95 elections will have to terminate its functions in the first half of 1997, and the Hong Kong Special Administrative Region [SAR] will reflect the Legislative Council according to the Basic Law.

He pointed out: The Sino-British talks must be held on the basis of the "three conformities." The Chinese side hopes that progress will be made in the coming 13th round of the talks, and this is also what Hong Kong people want to see. This requires that the British side returns to the "three conformities" principle and really show its sincerity. If the talks cannot reach agreement for reasons not on the Chinese side, that will be a very regrettable thing. However, no matter what happens in the future, China still has confidence and the ability to ensure Hong Kong's smooth transition and Hong Kong's prosperity and stability. If the British side refuses to cooperate, it is hard to say whether Hong Kong's economy will not be affected, but in the long run China will still be able to effect "one country, two systems," realize Hong Kong people ruling Hong Kong, and maintain Hong Kong's long-lasting stability and prosperity according to the Basic Law after 1997. I am full of confidence in this.

Wang Qiren said this when meeting with the visiting Hong Kong shipping industry delegation headed by Chiu Sai-pang.

Wang Qiren said: You people in the shipping industry play an important role and have made your contributions to Hong Kong's current prosperity and to Hong Kong's current status as one of the world's shipping, financial, and information centers. You are concerned about the development of Hong Kong's shipping

industry beyond 1997, and I can responsibly tell you that after China implements the policy of "one country, two systems" and realizes Hong Kong people ruling Hong Kong in the post-1997 years, broader development prospects will be opened up for Hong Kong's shipping industry. A provision of the Basic Law includes four paragraphs concerning the issue of the development of Hong Kong's shipping industry. Wang said: The current successful operating rules of the shipping industry in Hong Kong will remain unchanged on the whole after 1997. As for some concrete issues, the future SAR Government will give full consideration to the opinions of people in the shipping industry and will handle them properly. He believed that there would be no major changes, and things would just become more favorable to the development of the shipping industry in Hong Kong. He said that Hong Kong's post-1997 prosperity and stability will make the shipping industry flourish and thrive better.

As for the passports and travel documents held by permanent residents of Hong Kong, Wang Qiren said that China is now giving positive consideration to this issue. When the Preliminary Work Committee for the Hong Kong SAR Preparatory Committee of the National People's Congress Standing Committee discussed its work plan, this issue was included in the agenda. The Preliminary Work Committee will work out a good proposal for the proper settlement of this issue.

When some guests proposed that the Hong Kong shipping industry increase exchanges and communications with the State Council's Hong Kong and Macao Affairs Office in the future, Wang Qiren immediately expressed agreement. He said that this is also the wish of the Hong Kong and Macao Affairs Office. In particular, in the late transitional period, the Hong Kong and Macao Affairs Office needs to listen more extensively to valuable opinions of all quarters in Hong Kong.

Deng Qiang and Zhang Liangdong, deputy directors of First Department of the State Council's Hong Kong and Macao Affairs Office, also attended today's meeting.

#### **Zhou Nan Addresses Trade Union Federation**

*HK0310071493 Hong Kong WEN WEI PO in Chinese  
2 Oct 93 p 11*

[Report: "XINHUA Hong Kong Branch Director Zhou Nan Addresses Hong Kong Trade Union Federation's National Day Gathering, Reiterating China's Determination and Ability To Ensure Smooth Transition in Hong Kong"]

[Text] Zhou Nan, director of the XINHUA Hong Kong Branch, said: In the next few years, no matter what circumstances may come about and no matter what twists and turns may occur, the Chinese Government and people will have full determination and ability to ensure Hong Kong's smooth transition and the smooth

implementation of the one country, two systems principle. The recent publication of Deng Xiaoping's important remarks to Mrs. Thatcher in 1982 gave expression to this determination on the part of the Chinese Government.

Zhou Nan said this at the meeting of the Hong Kong Federation of Trade Unions to mark the PRC National Day. His speech won warm applause from the participants.

Zhou Nan emphatically pointed out: Now the time for Hong Kong to return to the motherland in 1997 is drawing near. In order to ensure Hong Kong's smooth transition, we have a great deal of work yet to complete. He hoped that the Federation of Trade Unions would further extensively unite the working masses in Hong Kong in the next few years, and would take an active part in all social affairs and the preparatory work for Hong Kong's smooth transition, thus making new and major contributions to Hong Kong's long-term stability and prosperity, and its smooth return to the motherland.

On the same occasion, Zhou Nan was asked by reporters about the Sino-British talks on the 1994-95 election arrangements in Hong Kong. He pointed out that the British side's program for arranging the elections remained far apart from the "three conformity" principle. He hoped that the Chinese and British foreign ministers' meeting in New York would make certain progress, and that the British side would return to the "three conformity" foundation so that the Sino-British talks can reach a real "three conformity" agreement.

In addition, when attending the same meeting, Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, when asked to comment on the Sino-British foreign ministers' meeting, said he believed that the two foreign ministers would express their own opinions, but it was hard to say whether they could reach a consensus of opinion.

Zheng Guoxiong also said that the problems concerning the new airport project should be discussed by the Airport Committee subordinate to the Sino-British Joint Liaison Group. As long as the British side is willing to act completely in line with the Memorandum of Understanding on the airport project, it will not be difficult to solve the problems. As for the issue of Container Terminal No 9, the Chinese side has long expressed its attitude. That is, the issue concerning the franchise should be discussed by the Joint Liaison Group.

#### **PRC Official Says Hurd 'Wrong' in Qian Talks**

*HK0410045293 Hong Kong WEN WEI PO in Chinese  
3 Oct 93 p 1*

[“Zhang Junsheng Says Chinese Side Bears No Blame for Absence of Breakthrough From Sino-British Foreign Ministerial Meeting”]

[Text] At a National Day reception of the press circles yesterday afternoon, Zhang Junsheng, deputy director of XINHUA's Hong Kong Branch, pointed out in answer to a reporter's question: The meeting of the Chinese and British foreign ministers in New York failed to make any new breakthrough. Certainly, this is not China's responsibility, as various sectors in Hong Kong are very clear about it. Regarding Hurd's remark that "if China and Britain cannot reach an agreement, the British side will perform its duty to submit the political reform package to the Legislative Council [Legco] for consideration," Zhang Junsheng felt that Hurd was wrong to make such a remark because the British side should assume the responsibility of comprehensively implementing the Sino-British Joint Declaration, maintaining Hong Kong's prosperity and stability, and properly resolving various issues concerning the smooth transfer of Hong Kong through appropriate consultation with the Chinese side.

After the meeting the day before last, British Foreign Secretary Hurd said that if the talks did not come to any result, the British side would assume its own responsibility to submit Patten's package to the Legco. While analyzing Hurd's remark, Zhang Junsheng pointed out: "I am afraid Mr. Hurd has committed a mistake in making such a remark." He explained that the responsibility that the British side should undertake is to comprehensively implement the Sino-British Joint Declaration, be responsible for the administration of Hong Kong in the transition period, maintain the prosperity and stability of Hong Kong, and at the same time appropriately consult with the Chinese side to achieve the smooth transfer of Hong Kong.

As for the submission of Patten's "three violation" package to the Legco, Zhang Junsheng stressed: This is under no circumstances a responsibility of the British side. He pointed out: If the British side acts in this way, it precisely shows that it will not properly observe the Sino-British Joint Declaration, will not hold to its original commitment that "Hong Kong's political development should converge with the Basic Law," and will not abide by the understanding and agreement already reached between China and Britain.

#### **Kerry Group Buys Shares of Newspaper**

HK3009055293 Hong Kong SOUTH CHINA MORNING POST in English 30 Sep 93 p 1

[Text] The all clear was given yesterday for the sale by News Corporation of a 34.9 per cent stake in South

China Morning Post [SCMP] publishing company to Robert Kuok Hock Nien's Kerry Group.

The deal, worth about \$2.7 billion, is now expected to be finalised on Monday [4 October] after a ruling from the Hong Kong Panel on Takeovers and Mergers that Kerry Media, an offshoot of the wideranging Kerry Group, would not be required to open its offer of \$5.17 a share to all shareholders. That would have boosted the cost of the deal to \$7.75 billion.

Mr Kuok has already announced that he will become chairman of SCMP, with his adviser Robert Ongpin taking over as deputy chairman.

When the terms of the offer were unveiled on September 12, the Kerry Group stipulated that it would only complete when it was satisfied that it would not be considered to be acting in concert with News Corp and so be required to make a general offer under the Hong Kong Code on Takeovers and Mergers.

It originally specified that the assurances should be given by the authorities by September 25, but this was later extended to October 4 to give the Panel on Takeovers and Mergers time to consider its request. Yesterday the panel read written submissions on behalf of the Kuok Group and News Corp and interviewed directors from both companies.

A spokesman for the Securities and Futures Commission pointed out that, while the present arrangements did not require a full bid, the panel could look at any future transactions if it felt they might trigger the rule under which an offer for 35 per cent of a company or more has to be extended to all shareholders.

A statement from News Corp and Kerry Media last night said the original terms of the deal had been modified. Originally, Kerry had agreed that in the event of it acquiring further shares and being forced to make a general offer within 18 months, it would acquire the 15.1 per cent stake held by News Corp. The price would be \$5.17 per share plus interest at the equivalent of London Interbank Offered Rate plus one percent.

Now, if Kerry made a voluntary offer, it would still have to stand by its agreement but not if, in the meantime, News Corp had reduced its stake to less than five percent.

Shares in SCMP yesterday rose 20 cents to \$4.75. Before the deal, they had soared to \$5.35.

**END OF**

**FICHE**

**DATE FILMED**

5 Oct 1993



